



JBF Industries Limited

CIN : L99999DN1982PLC000128

REGD. OFFICE : SURVEY NO. 273, VILLAGE ATHOLA, SILVASSA-396 230

Tel. : +91-0260-2642745/46, 2643861/62 Fax. : +91-0260-2642297 Website: <http://www.jbfindia.com>

NOTICE TO MEMBERS

Notice is hereby given that the Thirty-Second Annual General Meeting of the members of JBF Industries Limited will be held on Saturday, 27th September, 2014, at Daman Ganga Resort, Silvassa – 396 230, at 11.30 a.m.

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2014 and Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.

2. To appoint Director in place of Mrs. Veena Arya, (DIN: 00228818) who retires by rotation and being eligible, offers herself for re-appointment.

3. To declare dividend on Preference Shares and on Equity Shares of the Company.

4. To appoint M/s Chaturvedi & Shah, Chartered Accountants, Mumbai, as Statutory Auditors of the Company to hold office for the term of 3 years and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s. Chaturvedi & Shah, Chartered Accountants, (Registration No. 101720W) the Chartered Accountants, Mumbai, be and are hereby re-appointed as Statutory Auditors of the Company to hold office for the period of three (3) years from the conclusion of this meeting until the conclusion of the Thirty Fifth Annual General Meeting of the Company (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) at a remuneration as may be decided by the Board of Directors."

SPECIAL BUSINESS

5. To appoint Mr. Baldevraj Gupta (DIN: 00020066) as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the being in force) and Clause 49 of the Listing Agreement, Mr. Baldevraj Gupta (DIN: 00020066), who was appointed as an Additional Director pursuant to the provision of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for 5 (Five) consecutive years up to 31st March, 2019."

6. To appoint Mr. Prakash V Mehta (DIN: 00001366) as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the being in force) and Clause 49 of the Listing Agreement, Mr. Prakash V Mehta (DIN: 00001366), who was appointed as an Additional Director pursuant to the provision of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for 5 (Five) consecutive years up to 31st March, 2019."

7. To appoint Mr. Brij Mohan Bansal (DIN: 00142166) as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the being in force) and Clause 49 of the Listing Agreement, Mr. Brij Mohan Bansal (DIN: 00142166) who was appointed as an Additional Director pursuant to the provision of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for 5 (Five) consecutive years up to 31st March, 2019."

8. To appoint Mr. Banavar Anantharamaiah Prabhakar (DIN: 0021808) as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the being in force) and Clause 49 of the Listing Agreement, Mr. Banavar Anantharamaiah Prabhakar (DIN: 0021808) in respect of whom the Company has received notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for 5 (Five) consecutive years up to 31st March, 2019."

9. To modify the terms of appointment of Mr. Rakesh Gothi (DIN: 00229302) CEO & Managing Director and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013, the approval of the Company be and is hereby accorded to modify the terms of appointment of Mr. Rakesh Gothi (DIN: 00229302) who was appointed on 28th September, 2012 for 5 years w.e.f 1st January, 2013 to hold office as CEO & Managing Director, by making his office liable to retire by rotation and continue holding office upto 31st December, 2017."

"RESOLVED FURTHER THAT other terms and conditions of his appointment shall remain unchanged."

"RESOLVED FURTHER THAT the Board of Directors of the Company or Company Secretary be and are hereby also authorised to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution."

10. To modify the terms of appointment of Mr. Purshottam N Thakore (DIN: 00229024) CFO & Director-Finance and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013, the approval of the Company be and is hereby accorded to modify the terms of appointment of Mr. Purshottam N Thakore

(DIN: 00229024) who was appointed on 28th September, 2012 for 3 years w.e.f 1st September, 2012 to hold office as CFO & Director – Finance, by making his office liable to retire by rotation and continue holding office upto 31st August, 2015.”

“RESOLVED FURTHER THAT other terms and conditions of his appointment shall remain unchanged.”

“RESOLVED FURTHER THAT the Board of Directors of the Company or Company Secretary be and are hereby also authorised to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution.”

11. To modify the terms of appointment of Mr. Nilesh K Shah (DIN: 00232130) the Director - Commercial and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013, the approval of the Company be and is hereby accorded to modify the terms of appointment of Mr. Nilesh K Shah (DIN: 00232130) who was appointed on 28th September, 2012 for 3 years w.e.f 1st September, 2012 to hold office as Director – Commercial, by making him liable to retire by rotation and continue holding office upto 31st August, 2015.”

“RESOLVED FURTHER THAT other terms and conditions of his appointment shall remain unchanged.”

“RESOLVED FURTHER THAT the Board of Directors of the Company or Company Secretary be and are hereby also authorised to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution.”

12. To consider appointment and the remuneration of the Cost Auditors for the financial year ending 31st March, 2015 and in this regard 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 the Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the appointment of Ms. Devashree Vijayakar, Cost Auditors of the Company as appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2015, be confirmed and be paid remuneration of Rupees One lac Seventy Five Thousand per annum inclusive of all expenses;”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

13. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard 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 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“RESOLVED THAT pursuant to Section 186 of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014 and in accordance with the applicable laws and subject to the approval of the Central Government, Reserve Bank of India and other concerned authorities, if required and subject to such conditions as may be prescribed by any of the concerned authorities while granting such

approvals, permissions, sanctions which may be agreed to by the Board of Directors of the Company and / or by a duly authorized committee thereof for the time being exercising powers conferred by the Board of Directors (hereinafter referred to as 'Board') the consent of the Company be and is hereby accorded to the Board to do investment in Indian or Foreign subsidiary companies and their subsidiaries and/or in any other Indian or Foreign subsidiaries formed or to be formed, upto ₹ 5,000 crores in addition to the permissible limit of investment prescribed under the Companies Act, 2013, by way of loan, guarantee / corporate guarantee, subscription to equity share capital and other securities and / or by any other way as decided by the Board of Directors of Company;

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all documents or writings on behalf of the Company by affixing the Common Seal according to the provisions of Articles of Association of the Company, as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for the matters connected therewith or incidental thereto.”

15. To obtain approval for waiver of excess remuneration paid to Mr. Bhagirath C Arya, Executive Chairman and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Section 197 (10) and other applicable provisions if any, of the Companies Act, 2013 (including any statutory modifications) or re-enactment thereof for the time being in force, The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, and subject to approval of the Central Government, consent of the members of the Company be and is hereby accorded to waiver for recovery of excess remuneration of ₹ 5,04,97,711 paid to Mr. Bhagirath C Arya, Executive Chairman of the Company over and above the limits prescribed under Section 198 and 309 read with Schedule XIII of the Companies Act, 1956 during the period from (2013-2014).”

“RESOLVED FURTHER THAT the Board of Directors of the Company or any committee of Directors duly constituted by the Board be and is hereby authorised to do all such acts deeds and things as may be considered necessary or required, furnish any clarifications information and to settle any question, difficulty or doubt that may arise in this regard.”

16. To approve the offer or invitation to subscribe to Non-Convertible Securities on a private placement basis, and in this regard to consider and if thought fit, to pass following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of sections 42 and 71 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to the provisions of the Articles of Association of the Company, the approval of the members be and is hereby accorded to the Board of Directors of the Company for making one or more offer(s) or invitation(s) to subscribe to secured / unsecured redeemable Non-Convertible Debentures (“NCDs”) and/or any other Non-Convertible securities, in one or more series/tranches, during a period of one year from the date of this Annual General Meeting, i.e. till 26th September, 2015, within the overall borrowings limits of the Company as approved by the members from time to time, on a private placement basis, on such terms and conditions as the Board of Directors of the Company may, time to time, determine and consider proper and most beneficial to the Company including as to when the said Debentures/ Securities be issued, the consideration for the issue, utilisation of the issue proceeds and all matters connected with or incidental thereto;”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise / modify terms and conditions and do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

BY ORDER OF THE BOARD OF DIRECTORS

**Place : Mumbai.
Date : 13th August, 2014.**

**UJJWALA APTE
COMPANY SECRETARY**

NOTES :

1. A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight(48) hours before the commencement of the Meeting. Pursuant to provision of section 105 of the Companies Act, 2013 read with applicable rules thereon, a person can act as a proxy on behalf of member not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. Members / Proxies / Representatives should bring the enclosed Attendance Slip, duly filled in, for attending the Meeting. Copies of the Annual Report or Attendance Slips will not be distributed at the Meeting.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Brief profiles of Directors including those proposed to be appointed/ re-appointed, are provided in the Corporate Governance Report forming part of the Annual Report.
6. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office and Corporate Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
7. The Company has notified closure of Register of Members and Share Transfer Books from 22nd September, 2014 to 27th September, 2014 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
8. Dividend, if declared at the Annual General Meeting, will be paid on or after the date of Annual General Meeting through NECS mode, who have selected NECS mode and by way of dividend warrants to other shareholders.
9. Shareholders are requested to address their correspondence in connection with Dividend Payments, to the Company.
10. Member holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Link Intime India Pvt. Ltd.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form, are therefore, requested to submit their PAN to their Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form and submit their PAN to the Company/ Link Intime India Pvt. Ltd.
12. The Members whose names appear in the Register of Members/list of Beneficial Owners as received from Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) on 22nd August, 2014 are entitled to vote by Ballot Paper attending Annual General Meeting in person(s) on the resolutions set forth in this Notice.
13. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

Instruction for E- Voting

Pursuant to Section 108 of the Act with the Companies(Management and Administration) Rules, 2014, the Company is pleased to provide E-Voting

facility as an alternate for Shareholders of the Company to enable them to cast their votes electronically on the resolution mentioned in the Notice of the 32nd Annual General Meeting of the Company to held on Saturday, 27th September, 2014. For this purpose, necessary arrangements have been made with the Central Depository Services Limited (CDSL) to facilitate e-voting. E-Voting is optional to shareholders. The Company has appointed CS Mr. Jagdish P. Patel, Practicing Company Secretary of M/s Jagdish Patel & Co., of Vapi, as the Scrutiniser for conducting the e-voting process in a fair and transparent manner. The list of Shareholders/beneficial owners shall be reckoned on the equity shares as on 22nd August, 2014

Process and Manner for Shareholders opting for e-voting is as under:-**In case of members receiving e-mail:**

- (i) Log on to the e-voting websites www.evotingindia.com
- (ii) Click on "Shareholders" tab
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a For CDSL: 16 digits beneficiary ID
 - b For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letter of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name is CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB*	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank Details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For members holding shares in physical form, details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option

- YES or NO as desired. The option Yes implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take our print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholder (i.e. other than Individuals, HUF, NRI etc, are required to log on to <http://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from Sl. No. (ii) to sl. No. (xvii) above to cast vote.
- (B) The Voting period begins, on 21st September, 2014 at 10.00 a.m and ends on 23rd September, 2014 at 6.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Question (FAQs) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

ANNEXURE TO NOTICE - EXPLANATORY STATEMENT

As required under Section 102(1) of the Companies Act, 2013, the following Explanatory Statement will set out all material facts relating to items of special business mentioned in the Notice.

Item No. 2

Mrs. Veena Arya, retires from the Board by rotation and being eligible, offers herself for re-appointment.

Pursuant to the requirement of the listing agreement with the Stock Exchanges relating to the Corporate Governance, a statement containing a brief profile in respect of the above Director is included in Corporate Governance Report, a part of the Annual Report.

Item No. 5, 6 & 7

Mr. Baldevraj Gupta, Mr. Prakash Mehta & Mr. Brij Mohan Bansal, were appointed as Additional Directors during the year to hold office upto the conclusion of this Annual General Meeting of the Company.

The Company has received notices from the members signifying their intention to propose Mr. Baldevraj Gupta, Mr. Prakash Mehta & Mr. Brij Mohan Bansal, as their candidates for the office of the Director.

The Board recommends Mr. Baldevraj Gupta, Mr. Prakash Mehta & Mr. Brij Mohan Bansal, to be appointed as Independent Directors of the Company to hold office for 5 years.

Pursuant to the requirement of the listing agreement with the Stock Exchanges relating to the Corporate Governance, a statement containing a brief profiles in respect of the above Directors are included in Corporate Governance Report, a part of the Annual Report.

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Mr. Baldevraj Gupta, Mr. Prakash Mehta & Mr. Brij Mohan Bansal, are in any way, concerned or interested, financially or otherwise, in the Resolution mentioned in Item No. 5, 6 & 7 respectively.

Item No. 8

The Company has received notice from the member signifying his intention to propose Mr. Banavar Anantharamaiah Prabhakar as his candidate for the office of the Director.

Mr. B A Prabhakar, (DIN 0021808), Chartered Accountant, by profession, former Chairman and Managing Director of Andhra Bank, intends to join JBF Industries Limited as an Independent Director, He has vast experience in Banking field and is specialised in Credit and Treasury areas. He had worked with Bank of Baroda for 21 years before joining Bank of India as Executive Director.

He was Director on various Boards representing the Banks. He was the Chairman of Bank of India (Tanzania) and Bank of India (Indonesia). He was

also on the Board of Star Union Daichi Insurance Ltd, India International Bank (Malaysia) and ASREC India Ltd.

The Board recommends Mr. Banavar Anantharamaiah Prabhakar, to be appointed as Independent Director of the Company to hold office for 5 years. None of the Directors/Key Managerial Personnel of the Company/their relatives, except Mr. Banavar Anantharamaiah Prabhakar, is in any way, concerned or interested, financially or otherwise, in the Resolution mentioned in Item No. 8

Item No. 9, 10 & 11

The Board has recommended to modify the terms of appointment of Mr. Rakesh Gothi, Mr. Purshottam N. Thakore and Mr. N K Shah by making their office liable to retire by rotation and other terms and conditions of their appointment shall remain unchanged.

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Mr. Rakesh Gothi, Mr. Purshottam N. Thakore and Mr. N K Shah, are in any way, concerned or interested, financially or otherwise, in the Resolution mentioned in Item No. 9, 10 & 11.

Item No. 12

The Board, on the recommendation of Audit Committee, has approved the appointment and remuneration of Ms. Devashree Vijayakar, the Cost Auditors to conduct the Audit of the cost records of the Company for the financial year ending 31st March, 2015.

In accordance with provisions of Section 148 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 12 of the Notice for ratification of the remuneration payable to the Cost Auditors of for the financial year ending 31st March, 2015.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.12 of the Notice.

Item No. 13

The existing Articles of Association (AoA) are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the new Act.

The Act is now largely in force, on 12th September, 2013, and substantive sections of the Act which deal with the general working of companies stand notified.

With the notification of the Act several regulations of the existing AoA of the Company require alterations or deletions in several articles. Therefore the Directors propose to replace whole set of existing AoA by a new set of Articles. The AoA to be substituted in place of the existing AoA.

Draft of new set of Articles is kept open for inspection at Registered Office and Corporate Office of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.13 of the Notice.

Item No. 14

The Company had obtained members approval on 28th September, 2012, for investment in subsidiaries upto ₹ 2,500 crores. Company's new subsidiary JBF Petrochemicals Limited, is implementing project to manufacturing Purified Terephthalic Acid (PTA) in Mangalore SEZ and will require financial support from our Company. The Board of Directors proposed resolution mentioned under item no. 11 of this notice to enable the Company to give financial support to JBF Petrochemicals Ltd., and other subsidiaries by way of giving loans and/or guarantees or investing further in their share capitals, from ₹ 2,500 crores to ₹ 5,000 crores. The members are requested to give their consent to the Board of Directors to take necessary action.

None of the Directors/ Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.14 of the Notice.

Item No. 15

The Company has paid remuneration to Mr. Bhagirath C Arya, Executive Chairman, for the period 2013 – 2014 as per recommendation of the Nomination and Remuneration Committee (Formally known as Remuneration Committee) and as approved by the Board of Directors and Shareholders of the Company.

The Company has earned profit before tax of ₹ 29.30 crores as against ₹ 87.09 crores, which was inadequate for the calculation of managerial remuneration during the financial year 2013-2014. Hence the Remuneration of ₹ 5,04,97,711 paid to Mr. Bhagirath C Arya, for the period 2013-2014 was in excess of the limits laid down under the provisions of Section 198, 309 and Schedule XIII of the Companies Act, 1956 unless permission of the Central Government for waiver of recovery of excess remuneration under Section 197(10) of the Companies Act, 2013, is to be obtained.

The Board of Directors at its meeting held on 13th August, 2014, has given the approval to make the application to Central Government under Section 197(10) of the Companies Act, 2013, for waiver of recovery of excess remuneration paid to Mr. Bhagirath C Arya, during the period 2013-2014.

None of the Directors / Key Managerial Personnel of the Company / their relatives, except Mr. Bhagirath C Arya and Mrs. Veena Arya, are in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.15 of the Notice.

Item No. 16

Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, deals with private placement of securities by a company. Sub-rule (2) of the said Rule 14 states that in case of an offer or invitation to subscribe for non-convertible debentures on private placement basis, the company shall obtain the previous approval of its shareholders by means of a special resolution only once in a year for all the offers or invitations for such debentures during the year.

In order to augment long-term resources for financing, inter alia, the ongoing capital expenditure and for general corporate purposes, the Company may offer or invite subscription for secured/ unsecured redeemable non-convertible debentures, in one or more series/ tranches on private placement basis, issuable / redeemable at par.

Accordingly, consent of the members is sought for passing a Special Resolution as set out at item No.16 of the Notice. This resolution enables the Board of Directors of the Company to offer or invite subscription for non-convertible debentures, as may be required by the Company, from time to time for a year from the conclusion of this Annual General Meeting.

The Board commends the Special Resolution set out at Item No.16 of the Notice for approval by the members.

None of the Directors/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.16 of the Notice.

BY ORDER OF THE BOARD OF DIRECTORS

**Place : Mumbai.
Date : 13th August, 2014.**

**UJJWALA APTE
COMPANY SECRETARY**

Additional Information of Director seeking re-appointment/appointment at the Thirty-Second Annual General Meeting pursuant to clause 49 of Equity Listing Agreement

Name of Director	Mrs. Veena Arya	Mr. Baldev Raj Gupta	Mr. Prakash Mehta	Mr. Brij Mohan Bansal	Mr. B. A. Prabhakar
Date of Birth	24.08.1951	15.02.1940	12.02.1942	04.01.1951	04/08/1953
Date of Appointment on board	25.10.1989	10.04.2014	10.04.2014	27.05.2014	---
Directorship held in other companies (excluding section 25 and Foreign companies) as on August 13, 2014	1. JBF Petrochemicals Limited 2. Vaidic Resource Private Limited	1. JBF Petrochemicals Limited 2. HOV Services Ltd 3. Sagacious Financial Services (Pvt) Ltd 4. Aditya Birla Nuvo Ltd	1. Advani Hotels & Resorts Ltd 2. Bharat Bijlee Ltd. 3. Camphor & Allied Products Ltd. 4. Credal Advisory Services Pvt. Ltd. 5. Hikal Ltd. 6. G-Corp Lotus Mall Pvt. Ltd. 7. India Safety Vaults Pvt. Ltd. 8. Iris Investment Pvt. Ltd. 9. Lexure India Pvt. Ltd. 10. Mukand Engineers Ltd. 11. Mukand Engineers Ltd. 12. Lotus Shopping Centres Pvt. Ltd. 13. PCS Technology Ltd. 14. Pegasus Assets Reconstruction P. Ltd. 15. Rajasvi Properties Holding Pvt. Ltd. 16. Tulsidas Khimji Pvt. Ltd. 17. W.H. Brady & Co. Ltd. 18. Malvi Ranchoddas & Co.	JBF Petrochemicals Limited	None
Memberships of committees across companies (includes only Audit & Shareholders'/ Investors' Grievance Committee/Stakeholders Relationship Committee	None	Audit Committee 1. JBF Petrochemicals Limited 2. Aditya Birla Nuvo Ltd 3. HOV Services Ltd Stakeholders Relationship Committee 1. HOV Services Ltd	Audit Committee 1. Bharat Bijlee Ltd. 2. Advani Hotels & Resorts (I) Ltd. 3. Hikal Ltd. 4. Mukand Ltd. 5. Camphor & Allied Products Ltd. 6. Mukand Engineers Ltd. Stakeholders Relationship Committee 1. Bharat Bijlee Ltd. 2. Hikal Ltd.	None	None

JBF INDUSTRIES LIMITED

CIN : L99999DN1982PLC000128

REGD. OFFICE : SURVEY NO. 273, VILLAGE ATHOLA, SILVASSA-396 230

Tel.: +91-0260-2642745/46, 2643861/62 Fax.: +91-0260-2642297 Website: http://www.jbfindia.com

Attendance Slip

32nd Annual General Meeting

Place : Daman Ganga Resort, Silvassa – 396 230

Date : 27th September, 2014

Time : 11.30 a.m

Registered Folio/DP ID & Client ID	
Name	
Address of Shareholder	

I/We hereby record my/our presence at the 32nd Annual General Meeting of the Company at Daman Ganga Resort, Silvassa – 396 230 on Saturday, 27th September, 2014 at 11.30 a.m

Signature

Notes: 1) Each equity share of the Company carries one vote. 2) Please read carefully the instructions printed overleaf before exercising the vote.

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

JBF INDUSTRIES LIMITED

CIN : L99999DN1982PLC000128

REGD. OFFICE : SURVEY NO. 273, VILLAGE ATHOLA, SILVASSA-396 230

Name of the member (s) :	
Registered address :	
E-mail Id :	
Folio No/Client ID :	DP ID :

I/ We, being the member (s) of shares of the above named company, hereby appoint

1. of having E-mail Id : or failing him.
2. of having E-mail Id : or failing him.
3. of having E-mail Id :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company, to be held on the 27th day of September, 2014 at 11.30 a.m at Daman Ganga Resort, Silvassa and at any adjournment thereof in respect of such resolution as are indicated below:

Item No.	Resolution	For	Against
1	Adoption of Balance sheet as at 31st March, 2014 and Profit & Loss A/C for the year ended on that date and the Directors' Report and Auditors Report.		
2	Dividend on Preference Shares and Equity shares for the financial year 2013-14		
3	Re appointment of Mrs. Veena Arya.		
4	Re appointment of Chaturvedi & Shah Chartered Accountants as Statutory Auditors.		
5	Appointment of Mr. B R Gupta as an Independent Director.		
6	Appointment of Mr. Prakash Mehta as an Independent Director.		
7	Appointment of Mr. Birj Mohan Bansal as an Independent Director.		
8	Appointment of Mr. B A Prabhakar as an Independent Director.		
9	Modification of the appointment terms of Mr. Rakesh Gothi, CEO & Managing Director making him liable to retire by rotation.		
10	Modification of the appointment terms of Mr. P N Thakore, CFO & Director Finance making him liable to retire by rotation.		
11	Modification of the appointment terms of Mr. N K Shah, Director-Commercial making him liable to retire by rotation.		
12	Appointment of Cost Auditors.		
13	Adoption of new set of Articles.		
14	Authorising Board of Directors to invest funds in subsidiaries by way of subscription in equity capital, loan and to give corporate guarantee.		
15	Approval for the waiver of recovery of excess remuneration paid to Mr. Bhagirath Arya, Executive Chairman.		
16	Authorising Board of Directors to raise funds by offering Non Convertible Debentures or such other securities.		

Signed this day of 2014

Signature of shareholder

Affix ₹ 1/-
Revenue
Stamp

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.



JBF Industries Limited

Annual Report 2013-2014

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Note : Notice of Annual General Meeting is enclosed with this Annual Report

Corporate Information

Board of Directors

Bhagirath C. Arya
Chairman

Rakesh Gothi
Managing Director & CEO

P. N. Thakore
Director-Finance & CFO

N. K. Shah
Director-Commercial

Veena Arya
Director

Krishen Dev
Director (upto 13.2.2014)

B. R. Gupta
Director (w.e.f. 10.4.2014)

Prakash V. Mehta
Director (w.e.f. 10.4.2014)

Sunil Diwakar
Director

Ravishankar Shinde (LIC)
Director (upto 13.7.2014)

B. M. Bansal
Director (w.e.f. 27.5.2014)

Company Secretary

Ujjwala G. Apte

Statutory Auditors

Chaturvedi & Shah
Chartered Accountants

Internal Auditors

Bhuwania & Agarwal Associates
Chartered Accountants

Main Bankers

Bank of Baroda
State Bank of India
Bank of India
Andhra Bank

Standard Chartered Bank
IDBI Bank Ltd.
Axis Bank Ltd.

Indian Overseas Bank
ICICI Bank Ltd.
DBS Bank Ltd.

Registered Office

Survey No. 273,
Village Athola,
Dadra & Nagar Haveli,
Silvassa

Corporate Office

8th Floor, Express Towers,
Nariman Point, Mumbai -21.
Tel Nos : 22 88 59 59 Fax No : 22 88 63 93
Website : www.jbfindia.com

E-mail Address

for General Correspondence :
jbf@vsnl.com
for Investor Grievance & Correspondence:
sec.shares@jbfmail.com

Plants

- Survey No. 273, Village Athola, Dadra & Nagar Haveli, Silvassa.
- 156/2, Village Saily, Saily-Rakholi Road, Dadra & Nagar Haveli, Silvassa.
- Plot No. 11 and 215 to 231, Sarigam GIDC Indl. Area, Tal : Umbergaon, Sarigam, Vapi, Gujarat

Subsidiaries

JBF GLOBAL PTE. LTD.
112, Robinson Road, # 05-01, Singapore - 068902

JBF PETROCHEMICALS LTD.
SEZ Mangalore, India.

JBF RAK LLC
P. O. Box : 6574 Ras Al Khaimah, U.A.E.

JBF GLOBAL EUROPE BVBA
Nijverheidsweg 4, 2430 Laakdal, Belgium

JBF BAHRAIN S.P.C
PO Box 50397, Salman Industrial City, Al, Kingdom of Bahrain

R & T Agents

M/s. Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills
Compound, LBS Road,
Bhandup (West),
Mumbai-400 078.

Annual General Meeting

Saturday, 27th September, 2014
at 11.30 a.m

Daman Ganga Resort, Silvassa

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Thirty-Second Annual Report together with the Audited Accounts of the Company for the financial year ended on 31st March, 2014.

FINANCIAL RESULTS

Particulars	[₹ in crores]	
	Year ended on 31/3/2014. [Audited]	Year ended on 31/3/2013. [Audited]
Total Revenue	4,846.58	4,576.18
Profit before Depreciation, Exceptional Item & Tax	178.23	187.75
Less : Depreciation	112.22	100.66
Less : Exceptional Item	36.71	--
Profit before Tax	29.30	87.09
Less : Provision for Current Taxation	7.22	19.33
Less : MAT Credit Entitlement	(7.22)	(19.33)
Less : Provision for Deferred Tax	14.28	35.59
Net Profit for the year	15.02	51.50
Less : Prior period Adjustments	0.03	0.02
Net Profit for the year	14.99	51.48
Less : Profit brought forward from previous year	384.51	350.13
Surplus available for appropriations	399.50	401.61
Less : Transfer to General Reserve	1.15	5.20
Less : Transfer (from)/ to Debenture Redemption Reserve	(3.17)	0.61
Less : Short/ (Excess) Provision of Dividend in Previous Year	(0.73)	0.17
Less : Short/ (Excess) Provision of Dividend Distribution Tax	(0.12)	0.03
Less : Proposed Dividend on Preference Shares	2.81	2.22
Less : Proposed Dividend on Equity Shares	13.06	7.26
Less : Dividend Distribution Tax on Proposed Dividend	2.70	1.61
Balance of Profit carried to Balance Sheet	383.80	384.51

DIVIDEND

As per the terms and conditions of Bank of India, dividend will be paid @ 2.5% per annum to Preference Shareholders holding 11395709 Cumulative Redeemable Preference Shares of ₹100 each till 25th March, 2014.

As per the terms and condition of Bank of India, dividend will be paid @ 2.5% per annum to Preference Shareholders holding 75709 Cumulative Redeemable Preference Shares of ₹100 each from 26th March, 2014 and @ 20% per annum to Preference Shareholders holding 1415000 Cumulative Redeemable Preference Shares of ₹100 each from 26th March, 2014.

The Board of Directors has recommended dividend of ₹ 2/- (Rupees Two only) per share (@ 20%) on equity shares. Dividend will be paid to eligible equity shareholders if approved by members at the Annual General Meeting.

DIRECTORS

Mr. Baldevraj Hansraj Gupta, was appointed on 10th April, 2014, as Additional Independent Director, to hold the office till the date of this Annual General Meeting, will be appointed as a Independent Director for a term of 5 years in this Annual General Meeting based on the recommendation of shareholders in this Annual General Meeting.

Mr. Prakash Vasantlal Mehta, was appointed on 10th April, 2014, as an Additional Non-Executive Director, to hold the office till the date of this Annual General Meeting, will be appointed as a Independent Director for a term of 5 years in this Annual General Meeting based on the recommendation of shareholders in this Annual General Meeting.

Mr. Brij Mohan Bansal, was appointed on 27th May, 2014, as an Additional Independent Director, to hold the office till the date this Annual General Meeting, will be appointed as an Independent Director for a term of 5 years in this Annual General Meeting based on the recommendation of shareholders in this Annual General Meeting.

Mrs. Veena Arya, is retiring by rotation and being eligible, offer herself for re-appointment.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis forms part of the Directors' Report and is annexed hereto.

PERFORMANCE

Net sales of the Company increased from ₹ 4,504.09 Crores in 2012-13 to ₹ 4,784.71 Crores in 2013-14, reflecting an increase of 6.23%.

Profit before tax of the Company decreased from ₹ 87.09 Crores in 2012-13 to ₹ 29.30 Crores in 2013-14.

Net Profit of the Company decreased from ₹ 51.48 Crores in 2012-13 to ₹ 14.99 Crores in 2013-14.

ISSUE OF EQUITY SHARES.

During the year, Compensation Committee met 5 times to consider the exercise of options and issue of equity shares granted under Employees Stock Option Scheme to employees and directors. During the year 191611 options were exercised by the Directors & employees and equal number of equity shares were allotted and issued. Listing formalities were duly completed after the allotment of these shares. Disclosure of Particulars is annexed to this report as an "Annexure B" to the Directors Report.

BUY-BACK OF SHARES

During the year, Company has bought back Seventy Five Lacs equity shares of ₹10/- each at an average price of ₹ 97.64 per equity shares through the methodology of "Open Market Purchases through Stock Exchanges".

Share capital after issue of equity shares under ESOS Scheme and buyback of equity shares is ₹ 65,32,48,470.

ISSUE OF CUMULATIVE REDEEMABLE PREFERENCE SHARES

Bank of India (BOI) had approved line of credit to fund losses incurred by the Company on account of derivative transaction of the Company with BOI to hedge ECB Loan.

As a part of the credit line the Company had issued 11395709 – 2.5% Cumulative Redeemable Preference Shares (CRPS) of ₹ 100/- each, in different tranches aggregating to ₹ 113,95,70,900, to be redeemed in three instalments.

The Board of Directors of the Company (the "Board") had proposed the redemption of the existing 11320000 – 2.5% CRPS in exchange of 1415000 – 20% CRPS of ₹ 100/- each at premium of ₹ 700/- per CRPS, to be redeemed on the same date of redemption as of old CRPS.

The Preference Shareholders approved the said proposal by passing resolution in their meeting held on 26th March, 2014, which was also accepted by the Equity Shareholders in their meeting held on 26th March, 2014, by passing the resolution to that effect.

To give effect to the resolution as mentioned above the Board of Directors issued 1415000 – 20% Cumulative Redeemable Preference Shares of ₹ 100/- each at premium of ₹ 700/- per (CRPS) in their meeting held on 26th March, 2014, in favour of BOI.

As a result of the above the issued Preference Share Capital has come down to ₹ 14,90,70,900.

SUBSIDIARIES

Company has overseas subsidiary under the name and style JBF Global Pte Ltd at Singapore, which has subsidiaries, namely JBF Petrochemicals Ltd., Mangalore, India, JBF Glicols Industria Quimica Ltda, at Brazil and JBF RAK LLC, at U.A.E with its own subsidiaries, JBF Bahrain S.P.C at Bahrain and JBF Global Europe BVBA at Belgium.

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. In accordance with the Accounting Standard AS-21, the audited Consolidated Financial Statements including the Financial Information of Subsidiary Companies are provided in the Annual Report.

The annual accounts of the Subsidiary Companies will be kept open for inspection at the Registered and Corporate Office of the Company and that of the respective Subsidiary Companies.

PROGRESS OF SUBSIDIARIES

- Bahrain plant will have 3 lines having total capacity of 90,000 Tonnes per annum. Two lines of Polyester Film project being executed through JBF Bahrain SPC have commenced production. The third line is likely to be commissioned by third quarter of 2014.
- At Geel, Belgium, PET project executed through JBF Global Europe BVBA having capacity of 390,000 Tonnes per annum is on schedule. The plant is expected to be commissioned by mid of June 2014.
- At Mangalore, PTA project being executed through JBF Petrochemicals Ltd., having capacity of the 1.25 Million Tonnes per annum is progressing satisfactorily. Construction activities have commenced. The project is expected to be completed by mid 2015.

RISK MANAGEMENT

The Board of Directors regularly reviews risks and threats in the business and takes suitable steps to safeguard Company's interest.

INSURANCE

All the properties of the Company including buildings, plant and machinery and stocks have been adequately insured.

FIXED DEPOSITS

During the year Company has not accepted any Fixed Deposits and as such, no amount of principal or interest on account of Fixed Deposits is outstanding as on the date of Balance Sheet.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with Section 217(2AA) of the Companies Act, 1956, the Directors report that:

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to Standard Auditing Practices.
- Such Accounting policies have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended on 31st March, 2014.
- Proper and sufficient care has been taken for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing & detecting fraud and other irregularities.
- The annual accounts have been prepared on a Going Concern Basis.

CORPORATE GOVERNANCE

To comply with conditions of Corporate Governance, pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, a Management Discussion and Analysis Statement, Corporate Governance Report and Auditors' Certificate, are included in the Annual Report.

Code of Conduct for Directors and Employees of the Company, has been communicated to them and a copy has been pasted on the web site of Company.

AUDITORS

M/s Chaturvedi & Shah, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

The Company has received a certificate from the proposed Auditors to the effect that their appointment, if made, would be in accordance with the provision of Section 139 of the Companies Act, 2013 (Act) and also satisfy the criteria provided in Section 141 of the Act.

COST ACCOUNTING RECORDS

The Company has maintained cost accounting records in respect of manufacture of Polyester Chips, Partially Oriented Yarn (POY) and Polyester Processed Yarn as required for the year ended 31st March, 2014.

COST AUDITORS

As per the Companies (Cost Audit Report) Rules, 2011 and the notification of MCA dated 3rd June, 2011. The Cost Accounts Records maintained by your Company for the Products - Polyester Chips, Polyester Filament Yarn and Polyester Processed Yarn are subject to yearly audit by qualified Cost Auditors.

Based on the Audit Committee recommendations at its meeting held on May 27, 2014, the Board has approved the appointment of Ms. Devashree P. Vijayakar, Cost Accountant as the Cost Auditor of the Company for the financial year 2014-2015.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

A Statement containing necessary information as required under Section 217(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is annexed to this report as an "Annexure A" to the Directors Report.

INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has constituted an Internal Complaint Committee under Section 4 of the captioned Act. No complaint has been filled before the said committee till date.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In line with the requirements of the Companies Act, 2013, the Board on 15th May, 2014 has constituted a CSR Committee comprising Mr. Rakesh Gothi as the Chairman and Mr. B.R.Gupta, Mr. P.N.Thakore and Mr. N.K.Shah as other members.

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

PARTICULARS OF EMPLOYEES

The information required under the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, and forming part of the Report is annexed hereto as an "Annexure C" to the Directors Report.

FOREIGN EARNINGS/OUT GOINGS

Foreign Exchange earnings by way of exports and Net Gain on currency and interest rate swap were ₹ 897.12 Crores and ₹ 6.73 Crores respectively against outgo of ₹ 1546.09 Crores on import of raw materials, colours chemicals & oils, stores spares & consumables and ₹ 5.90 Crores of foreign exchange were invested in imported capital equipments for the growth of the Company.

APPRECIATION

The Board of Directors would like to express their grateful appreciation for the assistance, support and co-operation received from the Financial Institutions, Banks, Government Authorities and Shareholders during the year under review.

The employees of the Company contributed significantly in achieving the results. The Directors take this opportunity of thanking them and hope that they will maintain their commitment to excellence in the years to come.

For and on behalf of the Board of Directors

P. N. THAKORE

CFO & Director Finance

RAKESH GOTHI

CEO & Managing Director

Place: Mumbai

Date: 27th May, 2014.

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE A TO DIRECTORS' REPORT

A Statement containing necessary information as required under section 217(e) of the Companies Act , 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.The relevant information is given below:-

A . POWER & FUEL CONSUMPTION

	For the year Ended 31.03.2014	For the year Ended 31.03.2013
1.Electricity		
Purchased Units (in thousands)	308,900	286,774
Total Amount (₹ in Crores)	137.06	121.17
Rate / per unit (₹)	4.44	4.23
2. Furnace Oil		
Consumed (Kgs in thousands)	2,971	1,467
Total Amount (₹ in Crores)	12.44	6.14
Rate/ per kg (₹)	41.87	41.88
3. Light Diesel Oil & HSD		
Consumed (Ltrs in thousands)	125	219
Total Amount (₹ in Crores)	0.64	1.02
Rate/ per Ltr (₹)	50.82	46.70
4. Natural Gas		
Consumed (Gcal)	302,042	371,531
Total Amount (₹ in Crores)	130.97	135.02
Rate/ per Gcal (₹)	4,336.22	3,634.15

B. CONSUMPTION PER UNIT OF PRODUCTION

	For the year Ended 31.03.2014	For the year Ended 31.03.2013
1.Electricity (kwh /Ton of Product)		
a) Polyester Filament Yarn (POY)	983	1,005
b) Polyester Chips	91	67
c) Polyester Processed Yarn	1,064	1,111
2. Furnace Oil (Kgs/Ton of Product)		
a) Polyester Chips	1.28	3.03
b) Polyester Filament Yarn (POY)	1.59	-
3. Light Diesel Oil & HSD (Ltrs /Ton of Product)		
a) Polyester Filament Yarn (POY)	0.40	0.88
b) Polyester Chips	0.07	0.06
c) Polyester Processed Yarn	-	-
4. Natural Gas (Gcal/Ton of Product)		
a) Polyester Chips	0.62	0.77

ANNEXURE B TO DIRECTORS' REPORT

JBF ESOS 2009

	Grant 1	Grant 2	Grant 3	Grant 4	Total
(a) Options granted (Grant 1 was in the year 2009-10, Grant 2 & Grant 3 in 2010-11 and Nil in Current year)	2154000	27000	18000	5019	2204019
(b) Pricing Formula	₹ 60.00	₹ 60.00	₹ 60.00	₹ 60.00	
(c) Options vested (Upto 31st March, 2014)	2154000	27000	18000	5019	2204019
(d) Options exercised (Upto 31st March, 2014)	1689249	27000	14000	3346	1733595
(e) Total number of shares arising as a result of exercise of options	1689249	27000	14000	3346	1733595
(f) Options lapsed (Upto 31st March 2014)	296388	0	0	0	296388
(g) Variation of terms options	No change during the year				
(h) Money realized by exercise of options (₹)	101354940	1620000	840000	200760	104015700
(i) Total number of options in force (as at 31st March 2014)	168363	0	4000	1673	174036
(j) Employee wise details of options granted during the year to					
1. Senior Management Personnel	Nil	Nil	Nil	Nil	Nil
2. Employees to whom more than 5% options granted during the year	Nil	Nil	Nil	Nil	Nil
3. Employees to whom options more than 1% of issued capital granted during the year	Nil	Nil	Nil	Nil	Nil
(k) Diluted EPS, pursuant to issue of shares on exercise of options					1.70
(l) 1. Method of calculation of employee compensation cost	Calculation is based on intrinsic value method				
2. Intrinsic Value per share	₹ 36.40	₹ 99.50	₹ 116.55	₹ 103.70	
3. Difference between the above and employee compensation cost that shall have been recognized if it had used the fair value of the options	Employee compensation cost would have been lower by ₹ 3,72,000 /- had the Company used fair value method for accounting the options issued under ESOS.				
4. Impact of this difference on Profits and on EPS of the Company	Profits before tax for the year would have been higher by ₹ 3,72,000 /- and Earning per share would have been higher by ₹ 0.01 had the Company used fair value method of accounting the options issued under ESOS.				
(m) 1. Weighted average exercise price	₹ 60.00	₹ 60.00	₹ 60.00	₹ 60.00	
2. Weighted average fair value of options based on Black Scholes methodology	₹ 51.39	₹ 100.54	₹ 128.82	₹ 115.08	
(n) Significant assumptions used to estimate fair value of options including weighted average					
1. Risk free interest rate	7%	7%	7%	8%	
2. Expected life	Average life taken as 2 years from date of grant, except for Grant 2 & 4 where it is less than 1 year				
3. Expected volatility	39%	39%	42%	40%	
4. Expected dividends	Not considered separately included, factored in volatility working				
5. Closing market price of share on a date prior to date of grant	₹ 96.40	₹ 159.50	₹ 176.55	₹ 163.70	

MANAGEMENT DISCUSSION AND ANALYSIS

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand, foreign exchange fluctuations and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

1. ECONOMY SCENARIO

The financial year 2013-14 was an encouraging year with global activity improving during the second half of 2013 and is expected to improve further in 2014-15 according to the International Monetary Fund (IMF) World Economic Outlook Report dated April 2014. Much of the impetus will be coming from advanced economies. Whereas emerging market economies have had a less encouraging growth rate due to poor external financial environment, although they continue to contribute more than two-thirds of the global growth. The global growth is projected to strengthen from 3% in 2013 to 3.6% in 2014.

As a short term outlook comparatively the Euro zone is expected to return to a positive growth rate. The growth in the emerging markets such as Brazil, Russia, Central Asia and South Asia is expected to decline whereas India, Mexico and other developing Asian countries could see an improvement in 2014 as compared to a weaker growth performance in 2013. The growth in countries such as United States is expected to improve. However, there appears to be a sense of pessimism on the growth rate in China in the current year where it is expected to come down.

The medium term outlook for U.S. and other advanced economies appears to be slightly more positive whereas the medium term outlook for countries such as China is of concern and could require compulsive course correction to be in line with some of the other advanced economies. However, emerging economies such as India, Brazil and Mexico need to carefully align their growth targets by a careful look at issues related to labour markets and of course appropriate allocation of resources for investment and industrial growth.

Focusing on South Asia and Indian sub continent, GDP in South Asia has been estimated at 4.7% in 2013, down from about 5% in 2012. This was mainly due to slow down of investment growth in India. Indian exports were higher largely due to steep currency depreciation in 2013. However, in the other regions, exports from countries such as Bangladesh and Sri Lanka grew rapidly due to demand from high income countries.

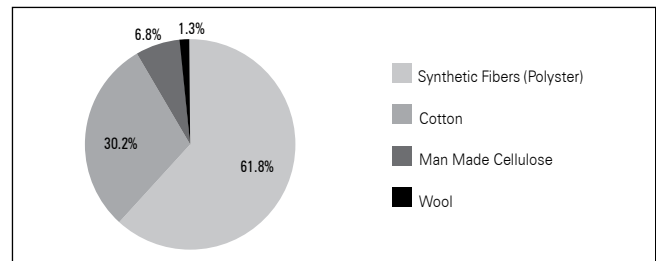
In India, the recent change in the political scenario has provided a sense of optimism within the country. Experts opine a faster expansion specifically with emphasis on infrastructure. Predictions indicate GDP to expand at a high of 6.5% upto March 2016 as compared to previous estimates of 6.2%. The achievement of political majority in the new government also implies that reforms can be implemented in an authoritative manner, as well as at faster pace. From the industries' point of view, there is also optimism that performance of companies would improve and the banking sector will also have a larger role to play in industrial growth of the country.

While the above augurs well for the country, there are certain concerns, one of them being high rate of inflation. Yet other impediment in our growth could be high interest cost. This is one of the major parameter which makes the Indian industry less competitive as compared to its counter parts world wide.

2. WORLD POLYESTER SCENARIO

For the year 2013, it is estimated that the Global fibre production grew by 4.1 % to 85.4 million tonnes. Synthetic fibers (majority of which is polyester) accounted for the largest share (61.8%), followed by cotton (30.2%), man-made cellulose fibers (6.8%) and wool (1.3%).

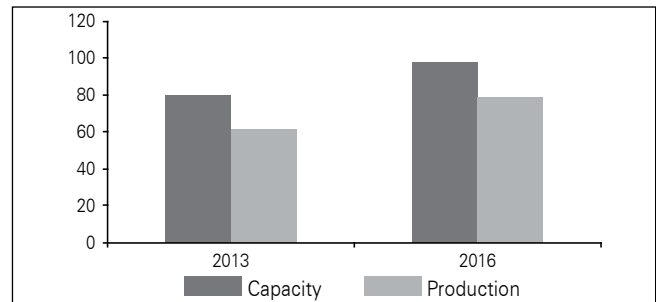
World Fibre Production (MMT p.a.)



The Global Polyester Polymer production is estimated to go upto 79 million tons by 2016 compared to 61 million tons in 2013. In the current year, Polyester downstream margins remained firm and PET deltas improved. Due to the on-going pressure in the PTA markets by overcapacity and supply uncertainties from PX expansions, the overall polyester chain margins have remained weak.

World Polyester Capacity/Production

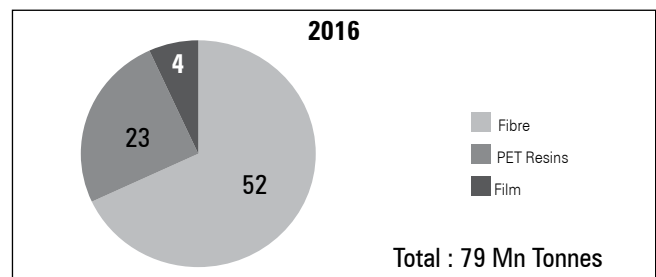
Mn tons



Going ahead the CAGR growth over 2013-16 in the Polyester fibre, PET Resins and Films are estimated to be 6%, 7% and 7% respectively.

Worldwide, Polyester is expected to play a dominant role in meeting the clothing requirements of masses. Polyester is now accepted as the most affordable material, with wide applications not only in apparel areas, but also in non-apparel applications. Such non apparel applications, e.g. home-use textiles and technical textiles, are now on high growth rate track and it is expected that such end uses will be accounting for important applications for Polyester in time to come.

Global Polyester Industry Forecast



The global PET films industry has been witnessing oversupply over the past few years. As per industry sources, the total industry demand in 2012 was 18 MMT as compared to 14 MMT in 2008. The CAGR of 6% over 2008-12 was primarily on the back of growth in the Beverages, Foods & Others, Health/Pharma/Agro & APET Sheet segments. The BOPET films industry is expected to post a 7% CAGR over 2012-16, driven by demand from the packaging industry mainly from niche segments like Beverages & Health/Pharma/Agro segments.

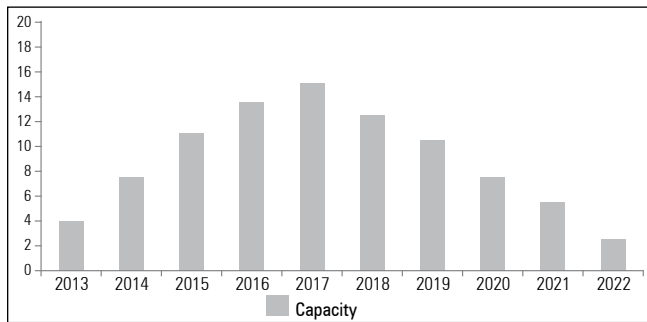
The 7% CAGR growth in the BOPET films would be driven by the demand from developed nations however the growth from the Asia Pacific is expected to increase faster vis-à-vis the developed nations thereby leading the overall growth. Going ahead, the usage of BOPET films in LCDs, solar panels, photovoltaic cells, touch screens, etc. is expected to be next growth potential for the industry.

Raw Material Outlook

World Paraxylene capacity will grow from 39 to 59 million tons in 2016. The supply growth rate of PX from 2013-2015 is estimated at 14-17% annually, compared to the growth rate of demand, which is likely to remain relatively stable at 5-6% on unfavourable macroeconomic conditions. The overall operating rate of Asia's PX plants is likely to fall to 80-85% capacity in 2014, largely attributed to the expected prevailing weak downstream demand.

PX capacity additions as planned should be sufficient to exceed polyester growth rates. PTA capacity growth is expected to continue to surpass demand growth, albeit at a slower rate. MEG markets were balanced with a capacity growth of 1.5 MMT against a demand growth of 1.2 MMT in 2013. China's need for imported PTA is shrinking as polyester fibre / PET Resin producers are back integrating, impacting Taiwanese, South Korean and other Asian countries PTA exports significantly. Going ahead there is expectation of PTA margin revival owing to new PX capacity additions and operation rationalizations.

World Surplus Paraxylene Capacity (Mn Tons)

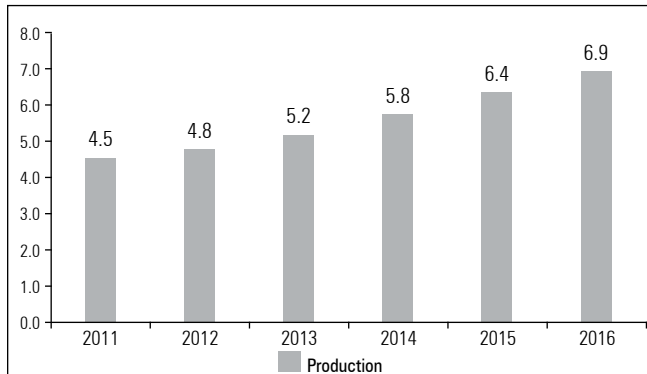


Indian Polyester Industry

Total Indian fibre textile mill consumption in 2013 was estimated at 9 MMT, a growth of 7% over previous year, of which 90% is accounted for cotton and polyester. The current breakup between Cotton and Man made fibre in India 55:45 compared to around 35:65 globally, which shows that there is huge potential for growth in the polyester industry in India.

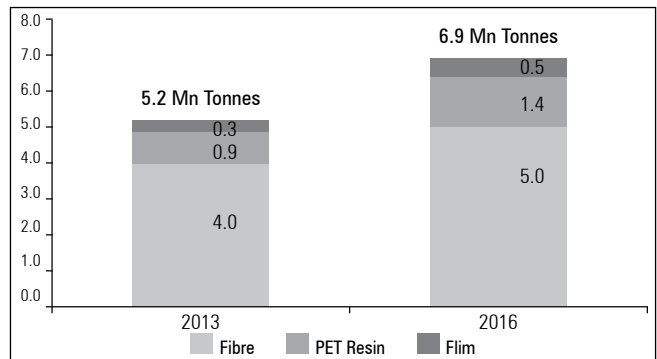
The total Polymer production witnessed a growth of 9% YoY to 5.2 million tons in 2013, out of which PSF grew by 9.4% YoY, PFY by 7.0% YoY and PET by 20.8% YoY. Despite healthy growth in demand, utilisation levels are expected to improve at a slower pace over the next few years due to incremental capacity in the market.

India Polyester Production Estimated and Forecast



Going ahead the CAGR growth over 2013-16 in the Polyester fibre, PET Resins and Films are estimated to be 8%, 21% and 11% respectively.

Indian Polyester Industry – Product Break up



In India, the demand of Polyester is estimated to increase as there is limited supply of cotton and price advantage of polyester vis-à-vis cotton. Also going forward, synthetic fibre consumption is expected to grow with increase in demand for apparels, home textiles and technical textiles. Demand for PET, for end use applications has been forecasted very high following increasing demand from water packaging and carbonated soft drink applications. Besides the demand for Polyester Films, is also expected to increase with new product innovation in LCDs, solar panels, photovoltaic cells, touch screens, etc.

4. CASH FLOW ANALYSIS

(₹ in Crores)

Sources of Cash	2013-14	2012-13
Cash from Operations	334.75	369.36
Income from Investing Activities	24.07	26.22
Income from Financing Activities	4.98	3.90
Proceeds from Equity	1.15	3.67
Sale of Invesments (Net)	53.08	16.61
Decrease in Working Capital	155.80	95.50
Decrease in cash & Cash equivalent	112.65	8.70
Total	686.48	523.96
Uses of Cash		
Net Capital Expenditure	132.21	187.95
Repayment of Term Borrowings (net of proceeds)	232.05	93.65
Finance Cost (Including Currency & Interest Swap)	163.43	131.33
Dividend paid (Including Tax on Dividend)	10.25	68.00
Tax paid (net)	16.91	25.08
Net loss on Foreign Currency Transactions	58.10	17.95
Buy Back of Equity Shares	73.53	--
Total	686.48	523.96

5. EXPANSION PLANS AT JBF

The PTA project at Mangalore, with a capacity of 1.25 Million Tonnes per annum, continues to be implemented satisfactorily. The raw-material for this project i.e. Paraxylene is proposed to be procured largely from the neighbouring supplier i.e. ONGC Mangalore Petrochemicals Ltd. (OMPL). It is expected that OMPL, will be going into production for paraxylene during second quarter of the current financial year. It is also to be noted that substantial paraxylene capacities are coming up in China as well as Asia and Middle East and for the ongoing project, access to this raw material will be extremely easy. The plant is being put up by using BP's technology and is expected to be one of the most cost effective plants in the world.

At Bahrain, project for 3 lines of Polyester Film with a total capacity of 90,000 M.T. has made a substantial headway. Two of the lines have already been commissioned and the third line is expected to start before end of 2014.

At GEEL in Belgium, company is expecting to be commissioned 390,000 per annum PET Chips project by mid June 2014.

6. SWOT ANALYSIS

The company is faced with the following strength, weakness, threat and opportunities :

Strength:

The company has demonstrated time and again its expertise in putting up projects within satisfactory time frame and at low cost.

Company continues to diversify its product mix to cater to market requirement by way of variety of chips and yarn as well as continue to produce products with relatively higher margins.

Weakness :

Company is also compelled to procure PTA, its raw-material from local sources. However, due to persistent technical problems with local suppliers, has to face difficulties in maintaining production levels.

Opportunities :

Company sees opportunities in bringing down its cost of production by additions of cost effective heating system through use of coal and would be implementing such system very shortly.

Company also sees opportunity of catering to the growing increased demands of processed yarns and would be expanding its production downstream accordingly.

Threats:

High volatility in the foreign exchange can affect margins in future.

New expansions specially in the PET industry can affect the margins as new entrants attend to capture higher market share by way of price cuts.

7. HUMAN RESOURCES

JBF recognizes that its people are most valuable resources and therefore as a policy of nurturing talent and ensuring that there is growth and their capabilities grow in relation to the growth of the company. The human resources function takes into account the capability, commitment and sincerity while evaluating talent within the company and suitable reward structure is in place to ensure maximum employees satisfaction. Regular training programs have been in place to improve the work capability at various levels in order to improve the competencies and skills.

8. SAFETY, HEALTH AND ENVIRONMENT (SHE) :

The Company works as a team to ensure sustainable growth of business through quality assured production integrated with safety, health & environment; to ensure value added service to our esteemed customers; safe, secure & quality of life for the employees and for the community in which we work.

The company is certified for ISO 9001:2008 (Quality Management System), ISO 14001:2004 (Environment Management System) & OHSAS 18001: 2007 (Occupational Health & Safety Assessment System). Company's objective does not end with the regulatory compliance in the SHE field goes beyond and adopt practices that are Safe, Healthy and Environment friendly, and to continuously improve on, which are considered to be the best in this sector specific industry.

The company has a well established policy & program for SHE & ensures its implementation through regular training, close monitoring, evaluation & audits of various components.

Safety

- No Fatal Accident occurred in the period FY'13-14
- A safe and healthy work environment is provided and also ensured that personnel are properly trained and have appropriate safety and emergency equipment.

- A periodic review of the safety system is carried out to ensure that the safety practices adopted are uniform & adequate following well laid out policies & procedures.
- For all new contracts, safety briefing is being done before the job is carried out.
- Employees, including the contract workers are provided with necessary health & safety induction program/protocol & provided with appropriate training (including proper use of PPE's, safe working at height, electrical safety etc.).
- On regular basis interaction is done with the project team for cultivating/instilling safety culture.
- Employees are also trained for handling emergencies through periodic mock drill.
- Quarterly safety audit is being done through safety committee members & External Safety Audit is been done through National Safety Council.
- As a motivational effort, National Safety Day/week, and Fire Service Day are being celebrated on a large scale.
- First Aid Awareness Training is being given to employees through ST. John's Ambulance.
- All fire Extinguishers are checked and inspected through external agencies.
- Ensured that CCTV cameras, fire alarm system.etc. are properly maintained.

Health

- All efforts are being done to prevent any occupational disease. So far no occupational disease has been observed.
- Pre-employment & Periodic Health Check up for all employees is being carried out regularly.
- Counseling for Health Check up is being followed by the medical officer at regular interval to keep the track record on occupational health
- Clean Drinking water facility provided and quality check done periodically.
- Toilets & urinals are being regularly inspected for its cleanliness.

Environment

Environment conservation & sustainable development are the continuous focus point of the company. Continual and consistent improvement in the critical environmental parameters is an important aspect of the Company's policy objectives.

- All the environment protection & pollution abatement measures are undertaken by the company to ensure that all the relevant environmental standards are strictly complied with.
- Employees are being educated to be accountable for environmental stewardship and encouraged to device and seek innovative ways to improve the environmental aspects of our operations.
- Promote the efficient use of energy and natural resources through cost-effective conservation and energy management programs.
- Reduction and elimination of waste, wherever possible through reuse & recycling. Dispose off all waste through safe & responsible methods.
- Third party Environment monitoring is being conducted quarterly through qualified & MoEF recognized External Agencies.
- The company is having efficient water management system which includes recycling of treated effluent.
- World Environment Day Celebration is being conducted on a large scale & tree plantation is been done to celebrate the occasion.
- Rainwater harvesting concept to supplement & improve the ground water table.

Risk Management

The company identifies operational, strategic, regulatory and financial risks through analysis, preemptive compliance, proactive management & sound business management practices.

CORPORATE GOVERNANCE REPORT

COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is an essential element of JBF Industries Limited's business practices and value system. The major facets of company's corporate governance codes and policy are :

1. Highest level of transparency and accountability.
2. All operations and actions should serve the goal of enhancing share holder value.
3. Commitment to highest level of customer's satisfaction.
4. Total compliance towards statutory aspects including environmental standards.
5. Continuous activities towards sustained developments of the company.

The Company strongly believes that good corporate governance ultimately leads to growth and competitive strength and the corporate governance norms are the foundations of all procedures at the Board and operational levels.

Board of Directors

Composition & Category of Directors

The Company had seven Directors as on 31st March, 2014 comprising of four Executive Directors holding offices of Executive Chairman, Managing Director, Director-Finance and Director-Commercial respectively and three Non-Executive Directors.

Further, as the Company has an Executive Chairman, the Company has to have at least half of its Board comprising of Non-Executive and Independent Directors. However in view of resignation of three of our Independent Director, Mr. Krishan Dev, Mr. B.R.Gupta and Mr. P.V.Mehta in the month of February 2014, the Company reappointed Mr. B.R.Gupta & Mr. P. V. Mehta as Additional Directors by passing circular resolutions with effect from 10th April, 2014 and appointed Mr. Brij Mohan Bansal on 27th May, 2014 in terms of Clause 49 (C) (iv) of the listing agreement, which has again brought back number of Non-Executive and Independent Directors to at-least half of its Board.

The category and designation of the Directors is as follows:

Name of Director	Designation	Category
Mr. Bhagirath C Arya	Executive Chairman	Executive & Promoter
Mr. Rakesh Gothi	Managing Director	Executive
Mr. P. N. Thakore	Director- Finance	Executive
Mr. N. K. Shah	Director-Commercial	Executive
Mrs. Veena Arya	Director	Non Executive & Promoter
Mr. Krishen Dev Upto 13.02.2014	Director	Non Executive & Independent
Mr. B. R. Gupta (1)	Additional Director	Non Executive & Independent
Mr. Prakash Mehta (2)	Additional Director	Non Executive & Independent
Mr. Sunil Diwakar	Director	Non Executive & Independent
Mr. Ravishankar Shinde	Director (LIC Nominee)	Non Executive & Independent
Mr.Brij Mohan Bansal w.e.f. 27th May, 2014	Additional Director	Non Executive & Independent

- (1) Mr. B.R. Gupta was director upto 19th February, 2014 and reappointed as Additional Independent Director w.e.f. 10th April, 2014.
- (2) Mr. Prakash Mehta was director upto 14th February, 2014 and reappointed as Additional Independent Director w.e.f. 10th April, 2014.

CEO & CFO

Mr. Rakesh Gothi, Managing Director, and Mr. P. N. Thakore, Director-Finance, are designated as Chief Executive Officer (CEO) and Chief Finance Officer (CFO) of the Company respectively.

Brief Profiles of Retiring / Regularising Appointment of Directors :

Mrs. Veena Arya, (DIN 00228818), holds a Masters Degree in Arts and has been a Promoter of the Company. She is a Director of the Company since 1989.

Mrs. Veena Arya is retiring by rotation and eligible for re-appointment.

Mrs. Arya holds 14078 shares of the Company as on 31st March, 2014.

Mr. Baldevraj Gupta, Mr. Prakash Mehta & Mr. Brij Mohan Bansal, were appointed as Additional Directors during the year to hold office upto the conclusion of this Annual General Meeting of the Company.

The Company has received notices from the members signifying their intention to propose Mr. Baldevraj Gupta, Mr. Prakash Mehta & Mr. Brij Mohan Bansal, as their candidates for the office of the Director.

Mr. B. R. Gupta, (DIN 00020066), is M. A. (English), LL.B. and Fellow of Insurance Institute of India. Mr. Gupta is the former Executive Director of the Life Insurance Corporation of India and was working as Consultant (Investment) to GIC India till December, 2000. Mr. Gupta has worked with LIC for over 38 years in various capacities and has had extensive experience in the operations of the life insurance industry, specifically in the areas of investment, marketing, underwriting and administration. Mr. Gupta has also worked in the investment department of the LIC for 10 years and headed the department as Executive Director. He was responsible for Managing LIC's portfolio comprising a variety of investments. Subsequent to his retirement, till May 1999, he functioned as the Investment Advisor to LIC. He had also been a Member of "The Administrative Committee of Insurance Institute of India", "The debt Committee of the NSE" and "The Secondary Market Advisory Committee of SEBI".

Mr. Prakash Mehta, (DIN 00001366), is graduated in law from Bombay University and became an advocate. In the year 1966, qualified as a Solicitor and since then he has been practising as an Advocate and Solicitor, has considerable experience in the field of corporate law and he was appointed as a Notary in 1996 and a member of the Managing Committee of "The Bombay Incorporated Law Society".

Mr. Brij Mohan Bansal, (DIN 00142166), is a B.Tech.(Chemical) – IIT-Delhi and Post Graduate Diploma in Process Plant Engineering from IIT-Delhi. At present he is working as CEO in Kenya Petroleum Refineries Ltd. Mombasa, Kenya, a Joint venture between Essar and Government of Kenya.

He joined Indian Oil Corporation Ltd in May 1974 as Process Engineer at Gujarat Refinery, Vadodara. In Indian Oil, he worked for about 37 years, in various capacities in technical services/production departments at various locations namely, Gujarat Refinery, Haldia Refinery, Gauhati Refinery, Mathura Refinery and refineries headquarters in New Delhi. He held the position of Chairman and Director Planning and Business Development, Indian Oil Corporation Ltd.

He was Part Time Chairman of Indian Oil Technologies Limited, Green Gas Limited and Indian Oil Petronas Pvt Ltd.

He was on the Board of Engineers India Ltd, Lubrizol (India) Pvt Ltd, Petronet LNG Limited and Bongaigaon Refinery & Petrochemicals Ltd.

He is Lifetime Member of ASME, Chairman of National Advisory Board for Plastindia 2012 and IMD Certified Project Director level "A" by International Projects Management Associations.

He has been awarded IIT Delhi Alumni Award for outstanding contribution to National Development (2008 - 2009)

Meeting of the Board of Directors

During the Financial Year 2013-2014 the Board of Directors met 5 times on 23rd May, 2013, 13th August, 2013, 21st August, 2013, 14th November, 2013 and 12th February, 2014.

Attendance of Directors at the Board Meetings, last Annual General Meetings and Number of other Directorship and Chairmanship/Membership of Committee of each Director in various Companies.

Name of the Director	Attendance Particulars		No. of Directorships and Committee Memberships / Chairmanships		
	Board Meetings	Last AGM	*Other Directorship	**Committee Membership	**Committee Chairmanships
Mr. Bhagirath C Arya	4	No	1	Nil	Nil
Mr. Rakesh Gothi	5	Yes	1	1	Nil
Mr. P. N. Thakore	5	Yes	Nil	Nil	Nil
Mr. N. K. Shah	5	Yes	Nil	Nil	Nil
Mrs. Veena Arya	2	No	Nil	Nil	Nil
Mr. Krishen Dev***	4	Yes	---	---	---
Mr. Prakash Mehta***	4	No	---	---	---
Mr. B. R. Gupta***	4	Yes	---	---	---
Mr. Sunil Diwakar	4	No	5	2	Nil
Mr. Ravishankar Shinde	3	No	1	1	Nil

* Other than Foreign and Private Limited Companies.

** In accordance with Clause 49, Membership/Chairmanship of only the Audit Committee and Shareholders/Investors Grievance Committee of all Public Limited companies (Excluding JBF Industries Limited), has been considered.

*** These Directors have resigned in the month of February, 2014. Hence other directorship is not mentioned

PROCEDURES AT THE BOARD MEETINGS

The Board of Directors meet at least once in every quarter to review performance of the company along with the financial results. The functions of the Board are effectively and efficiently discharged by briefing each Board member of developments that have taken place.

Apart from the quarterly meetings additional meetings are also convened if required for the specific needs of the Company, by giving appropriate notice.

The Board may also approve urgent matters by passing resolutions by circulations, if permitted by law.

In the various meetings, the progress at subsidiaries JBF Global Pte Ltd., JBF RAK LLC, JBF Petrochemicals Limited, JBF Bahrain S.P.C., JBF Global Europe BVBA and JBF Glicols Industria Quimica Ltda was placed before the Board for their notification.

The Board has ensured the review of compliance reports of all laws applicable to the Company and quarterly reviewed the compliance reports. There are no instances of non compliance noticed in such reviews.

The Board notes different risk factors involved in the business and analyses of the same. The different risks involved are mitigated by analysing existing controls and facilities.

The presentation is given to the Board, covering Finance, Sales and Marketing & Operations of the Company, before taking the quarterly results of the Company on record.

RECORDING MINUTES OF PROCEEDINGS AT BOARD AND COMMITTEE MEETINGS

The minutes of the proceedings of each Board and Committee Meetings are recorded by the Company Secretary. Draft Minutes are circulated to all

the members of the Board/Committee for their comments. The minutes of the proceedings of the meetings are entered in the Minute Book within 30 days from the date of the conclusion of meeting.

BOARD COMMITTEES

I. AUDIT COMMITTEE

The terms of reference stipulated by the Board to the Audit Committee are, as contained in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, as follows:

POWERS OF AUDIT COMMITTEE

The audit committee shall have following powers:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

ROLE OF AUDIT COMMITTEE

The role of the audit committee shall include the following :

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approving payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - (b) Changes, if any, in accounting policies and practices and reasons for the same.
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - (d) Significant adjustments made in the financial statements arising out of audit findings statements.
 - (e) Compliance with listing and other legal requirements relating to financial statements.
 - (f) Disclosure of any related party transactions.
 - (g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussing with the internal auditors of any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussing with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

11. Looking into the reasons for substantial defaults if any, in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. Approving of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
13. Reviewing of uses/application of funds raised through an issue (public issue, right issue, preferential issue, etc.)
14. Carrying out such other functions as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company.

REVIEW OF INFORMATION BY AUDIT COMMITTEE

The Audit Committee shall mandatorily review the following informations:

- Management discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions (as defined by the Audit Committee) submitted by Management.
- Internal audit reports relating to internal control weakness.
- Management letters / letters of internal control weaknesses issued by the statutory auditors; and
- The appointment, removal and terms of remuneration of Internal Auditors shall be subject to review by the Audit Committee.

COMPOSITION AND MEETING OF THE AUDIT COMMITTEE

Composition of the Audit Committee and attendance of each Member at the Audit Committee meetings held during the year:

Name	Position	Meetings Held	Meetings Attended
Mr. B. R. Gupta (1)	Chairman	5	4
Mr. Krishen Dev upto 13.02.2014	Member	5	4
Mr. Sunil Diwakar	Member	5	4
Mr. P N Thakore w.e.f. 14.11.2013	Member	1	1

(1) Mr. B.R. Gupta was Chairman upto 19th February, 2014 and reappointed w.e.f. 15th May, 2014.

The Company Secretary acted as the Secretary to the Audit Committee.

Mr. Rakesh Gothi, Managing Director, Mr. N. K. Shah, Director-Commercial, Statutory Auditors, Internal Auditors and General Manager Accounts were invited to attend all the Audit Committee Meetings.

During the Financial Year 2013-2014 the Audit Committee met 5 times on 23rd May, 2013, 13th August, 2013, 21st August, 2013, 14th November, 2013 and 12th February, 2014.

The Chairman of the Audit Committee attended last Annual General Meeting.

All the members of the Audit Committee possess financial/accounting expertise.

II. SHAREHOLDERS / INVESTOR GRIEVANCE COMMITTEE

The Investor Grievance Committee meets once in every quarter to review and to take note of the Compliance Reports submitted to the Stock Exchanges and grievances of the shareholders.

COMPOSITION AND MEETING OF THE INVESTOR GRIEVANCE COMMITTEE

Composition of Investor Grievance Committee and attendance of each Member at the Investor Grievance Committee meetings held during the year:

Name	Position	Meetings Held	Meetings Attended
Mr. B. R. Gupta(1)	Chairman	4	4
Mr. Sunil Diwakar	Member	4	3
Mr. Prakash Mehta(2)	Member	4	2
Mr. P N Thakore w.e.f. 14.11.2013	Member	1	1

(1) Mr. B.R. Gupta was Chairman upto 19th February, 2014 and reappointed w.e.f. 15th May, 2014.

(2) Mr. Prakash Mehta was member upto 14th February, 2014 and re-appointed w.e.f. 15th May, 2014.

During the Financial Year 2013-2014 the Investor Grievance Committee met 4 times on 23rd May, 2013, 13th August, 2013, 14th November, 2013 and 12th February, 2014.

The total number of complaints received and replied to the satisfaction of the shareholders during the year was 23. Pending complaints as on 31st March, 2014, were Nil.

Company had received confirmation from BSE & NSE informing that no investor complaints pending as on 31st March, 2014.

COMPLIANCE OFFICER

Mrs. Ujjwala Apte, Company Secretary of the Company, has been recognised as Chief Compliance Officer.

III. REMUNERATION COMMITTEE

Composition of Remuneration Committee and attendance of each Member at the Remuneration Committee meeting held during the year:

Name	Position	Meetings Held	Meetings Attended
Mr. Prakash Mehta upto 14.02.2014	Chairman	1	Nil
Mr. B R Gupta(1)	Member	1	1
Mr. Sunil Diwakar	Member	1	1
Mr. Rakesh Gothi w.e.f. 15th May, 2014	Member	None	None

(1) Mr. B.R. Gupta was member upto 19th February, 2014 and reappointed as Chairman w.e.f. 15th May, 2014.

Remuneration Committee met once on 23rd May, 2013, during the financial year 2013 – 2014.

As per the resolution passed by the members of the company held on 28th September, 2012, the Board of Directors has been authorised to vary, increase, or enhance the scope of the remuneration and perquisites including the monetary value thereof to the extent upto ₹ 5 Crore (Rupees Five Crore only) of the gross amount of remuneration excluding the amount of commission to Mr. B.C.Arya, Executive Chairman, ₹ 1 Crore (Rupees One Crore only) to Mr. Rakesh Gothi, CEO & Managing Director, ₹ 60 Lacs (Rupees Sixty Lacs Only) to Mr. P. N. Thakore, CFO & Director-Finance and 20% of the Gross amount of remuneration to Mr. N K Shah, Director-Commercial. However, the increase in remuneration of Executive Directors beyond the said limits, fresh resolution will be put up before the members for their approval.

This Committee has been constituted to recommend the increase / modifications in the Remunerations of the Managing Director, Whole-time / Executive Directors based on their performance and defined assessment criteria. The aggregate value of salary and perquisites are as follows :

Name of the Director	Salary (₹ In Lacs)	Commission (₹ In Lacs)	Perquisites (₹ In Lacs)	Total (₹ In Lacs)	Service Contract	Tenure*	Notice Period**
Mr. Bhagirath Arya	467.15	--	37.82	504.98	3 years	3 months	
Mr. Rakesh Gothi	74.50	--	5.22	79.72	5 years	3 months	
Mr. P. N. Thakore	36.29	--	1.27	37.55	3 years	3 months	
Mr. N.K. Shah	29.83	--	2.45	32.28	3 years	3 months	

Salary and Perquisites included house rent allowance, reimbursement of medical expenses, entertainment expenses, education, books & periodicals,

telephone expenses, motor car expenses, card subscription, leave travel allowance, provident fund and leave encashment etc.

During the year the Company has not granted any fresh stock options to any of the Directors.

^ Subject to Approval of Central Government (Refer Note No. 25.1 on the Financial Statements)

* From their respective dates of appointment.

** There is no separate provision for payment of severance fees.

DIRECTORS SITTING FEES

The Company has paid sitting fees for attending Board, Audit Committee, Remuneration Committee, Investor Grievance Committee, Compensation Committee and Risk Management Committee Meetings ₹ 20,000, ₹ 10,000, ₹ 5,000, ₹ 5,000, ₹ 5000 and ₹ 5,000 per meeting respectively to all the Non-Executive Directors as mentioned below.

Mr. Krishen Dev	₹ 1,35,000
Mr. B. R. Gupta	₹ 1,70,000
Mr. Prakash Mehta	₹ 90,000
Mr. Sunil Diwakar	₹ 1,40,000
Mrs. Veena Arya	₹ 40,000
Mr. Ravishankar Shinde (Nominee LIC)	₹ 60,000

None of the above mentioned Directors is related to any other Director on the Board in terms of the definition of "relative" given under Companies Act, 1956, except Mrs. Veena Arya is wife of Mr. Bhagirath C. Arya.

The Non Executive – Independent Directors have exercised their option under ESOP Scheme and their holding as on 31st March, 2014, is as below mentioned.

Sr. No	Name of the Directors	No. of Shares
1	Mr. Ravishankar G Shinde	100
2	Mr. Sunil Diwakar	39747

IV. INVESTMENT COMMITTEE

Mr. Rakesh Gothi, Managing Director and Mr. P N Thakore, Director-Finance are members of the Committee and Mrs. Ujjwala Apte, Company Secretary, is Secretary of the Committee.

The details of the Investment Committee Meeting held during the financial year 2013 – 2014 are as follows.

Sr. No.	Period	No. of Meetings
1	1st April, 2013 to 30th June, 2013	2
2	1st July, 2013 to 30th September, 2013	4
3	1st October, 2013 to 31st December, 2013	3
4	1st January, 2014 to 31st March, 2014	1

V. COMPENSATION COMMITTEE

The Committee has been constituted to administer JBF ESOS 2009. Attendance of each member at the Committee meeting held during the year.

Name	Position	Meetings Held	Meetings Attended
Mr. Rakesh Gothi	Member	5	5
Mr. P.N.Thakore	Member	5	5
Mr. B.R. Gupta(1)	Member	5	3
Mr. Krishen Dev upto 13.02.2014	Member	5	3
Mrs. Ujjwala Apte	Co.Secretary By Invitation	5	5

(1)Mr. B.R. Gupta was member upto 19th February, 2014 and reappointed w.e.f. 15th May, 2014.

Shareholders at the Annual General Meeting held on 25th September,2009 approved JBF ESOS 2009. Committee granted 21,54,000 options at exercise price of ₹ 60 per share to selected employees and Directors on 25th September 2009. Each option represented a right but not obligation to apply for 1 fully paid equity share of ₹ 10 each at the exercise price. The options granted vested equally over 3 years from the date of grant. Disclosure required by SEBI guidelines on ESOS annexed to the Directors' report, could give details of options granted to Directors and senior management personnel.

During the year under review 14554 options were surrendered and cancelled.

During the year 191611 options were exercised by the Directors & employees and equal number of equity shares were allotted. Listing formalities were duly completed after the allotment of these shares.

174036 options are outstanding for exercise as 31st March, 2014.

PROCEDURE AT THE COMMITTEE MEETINGS

The procedures of the Board Meetings are applicable to the Committee Meetings as far as may be practicable.

PREVENTION OF INSIDER TRADING

The Committee ensures that the Code of Conduct for prevention of Insider Trading adopted in terms of Regulation 12(1) of the SEBI [Prohibition of Insider Trading] Regulations are strictly adhered to.

CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD OF DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

The Company has formulated and implemented a Code of Conduct (the 'Code') for the Board of Directors, Senior Management and Employees of the Company. Annual affirmation of compliance with the Code has been made by the Board of Directors, Senior Management and employees of the Company. The Code has also been posted on the Company's website, www.jbfindia.com. The necessary declaration by the Chief Executive Officer of the Company regarding compliance of the above mentioned Code by Directors, Senior Management and the employees forms part of the Corporate Governance Report.

ANNUAL GENERAL MEETINGS

DATE	VENUE	TIME	SPECIAL RESOLUTIONS PASSED
28th September, 2013	Daman Ganga Resort	12.30 p.m.	1. Waiver of excess remuneration paid to Mr. Bhagirath C Arya, Executive Chairman for the Financial Year 2011-12 and subsequent year.
28th September, 2012	Daman Ganga Resort	11.30 a.m.	1. Re-appointment of Mr. Bhagirath C Arya, as Executive Chairman, on terms and conditions and on such remuneration approved by the Board of Directors. 2. Re-appointment of Mr. Rakesh Gothi, as CEO & Managing Director, on terms and conditions and on such remuneration approved by the Board of Directors. 3. Re-appointment of Mr. P N Thakore, as CFO & Director-Finance, on terms and conditions and on such remuneration approved by the Board of Directors. 4. Re-appointment of Mr. N K Shah, as Director-Commercial, on terms and conditions and on such remuneration approved by the Board of Directors. 5. Increase in investment limit under Section 372A.
26th September, 2011	Daman Ganga Resort	12.15 p.m.	1. Increase in remuneration of Mr. N.K.Shah, as Director Commercial.

No Special Resolution was proposed and passed during the last year through Postal Ballot.

DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

The Company carried business with related parties in which Directors are interested, in the ordinary course of business at prevailing market prices, which has no potential conflict with the interest of the Company. Directors regularly make full disclosures to the Board regarding the nature of interest in the Companies in which they are related.

Transactions carried out with the related parties were at arms length prices and were duly approved by Board of Directors from time to time.

Further, in compliance to the Accounting Standards, a detailed disclosure of transactions with related parties as laid down under AS-18 "Related party disclosure" as notified by the Companies (Accounting Standard) Rules, 2006, has been made in Note No.31 of Financial Statements forming as a part of the Annual Report.

DETAILS OF NON COMPLIANCE BY THE COMPANY

There has been **no instance of non compliance** by the Company on any matter related to capital market during the last 3 years and hence no penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other statutory authority.

RISK MANAGEMENT

The Company has a formal Risk Management Framework in place for risk assessment and minimisation. The Scope of the Audit Committee includes review of Company's risk management policies.

The Risk Management Committee met twice in a year and the report was placed before the Board of Directors.

The Board noted different risk factors involved in the business and analysed the same. The different risks involved were mitigated by analysing existing controls and facilities.

SUBSIDIARY COMPANY

The Minutes of the Board Meetings of unlisted wholly owned subsidiary JBF Global Pte Ltd., with its subsidiaries JBF Petrochemicals Ltd., and JBF RAK LLC have been placed before the Board from time to time.

The projects of step down subsidiary companies namely JBF Bahrain S.P.C, JBF Global Europe BVBA and JBF Glicols Industria Quimica Ltda are under implementation. Their minutes will be placed before the Board as and when the minutes will be received by the Company.

Financial statements, alongwith statement containing all significant transactions and arrangements entered into by them were reviewed and noted quarterly by the Audit Committee of the Company.

Audited Annual Financial Accounts of these Companies for the year ending 31st March, 2014, were placed before the Board of Directors of the Company.

SECRETARIAL AUDIT

In compliance to the circular received from Stock Exchange mandating all listed companies to for Secretarial Audit for purposes of reconciliation of the total admitted capital with both the depositories and the total issued and listed capital. The Company has confirmed that there exist no discrepancies with regard to its admitted capital. A certified report to this effect issued by practising Company Secretary M/s. Jagdish Patel & Co. has been submitted at close of each quarter to the Stock Exchanges.

MEANS OF COMMUNICATION

In compliance of Clause 41 of the Listing Agreement, half yearly and quarterly financial results of the Company were, published in Economic Times at the place of the Corporate Office of the Company and also in Economic Times, a local vernacular news edition, at the place of Registered Office of the Company. Half-yearly results in addition to being published in newspapers were available to the shareholders on their request.

Results and Official News of the Company are displayed on the Company's Website: www.jbfindia.com

The Ministry of Corporate Affairs (MCA) has through Circular No.17/2011 pronounced a Green Initiative in Corporate Governance that allows Companies to send notices / documents to shareholders electronically. Accordingly the Company has sent notice and annual report by way of electronic mode to the shareholders whose email address was registered with the Company.

The Annual Report is posted individually to all members, whose email address is not registered with the Company.

The shareholders who have not registered email address with the company, are requested to register the email address with company.

The presentations to the institutional investors and to the analysts are made as and when required.

The Management Discussion and Analysis Report is incorporated within the Directors' Report forming a part of the Annual Report.

GENERAL INFORMATION FOR SHAREHOLDERS

ANNUAL GENERAL MEETING

Day, Date & Time Saturday, 27th September, 2014 at 11.30.
Venue Daman Ganga Resort, Silvassa.

Financial Calendar [Tentative]

Results for the quarter ended June, 2014.	End 2nd week of August ' 14
Results for the quarter ended September, 2014	End 2nd week of November '14
Results for the quarter ended December, 2014.	End 2nd week of February ' 15
Results for the quarter ended March, 2015	End May ' 15
Annual General Meeting	End September ' 15

BOOK CLOSURE

The Register of Members will be kept closed from 22nd September, 2014 to 27th September, 2014. [Both days inclusive] for the purposes of payment of dividend

DIVIDEND

The dividend will be paid to the shareholders, whose names appear in the Register of Members on 27th September, 2014.

The dividend will be paid, if declared, on or after the date of AGM i.e. 27th September, 2014.

DIVIDEND DECLARED FOR THE LAST 10 YEARS

Financial Year	Dividend Declaration	Dividend Per Share*
2003-2004	14th August, 2004	₹ 2.00
2004-2005	14th July, 2005	₹ 2.00
2005-2006	29th July, 2006	₹ 2.00
2006-2007	20th September, 2007	₹ 2.25
2007-2008	30th December, 2008	₹ 1.50
2008-2009	25th September, 2009	₹ 5.00
2009-2010	25th September, 2010	₹ 6.00
2010-2011	26th September, 2011	₹ 8.00
2011-2012	28th September, 2012	₹ 8.00
2012-2013	28th September, 2013	₹ 1.00

* Share of paid-up value of ₹ 10 each.

Note: Dividend of ₹ 2/- (Rupee Two) per share recommended by the Directors on 27th May, 2014 is subject to declaration by the shareholders at the ensuing Annual General Meeting.

The dividend warrants will be despatched to the shareholders address registered as per Register of Members.

Shareholders who have not en-cashed the dividend warrant(s) are requested to get their warrants revaluated by writing to the Company. Under the Companies Act, 1956, dividends that are unclaimed for a period of seven

years, statutorily get transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government, and thereafter cannot be claimed by the investors. To ensure maximum disbursement of unclaimed dividend, the Company sends remainders to the concerned investors, before transfer of dividend to IEPF.

LISTING OF EQUITY SHARES

The shares of the Company are listed on The Bombay Stock Exchange Ltd, National Stock Exchange of India Ltd.

In accordance with the resolution passed in the AGM held on 14th August, 2004, the Company had applied to Calcutta Stock Exchange for the delisting of the equity shares of the Company.

The reply is awaited from Calcutta Stock Exchange.

Listing Fees

The Annual Listing fees for the year 2014-15 has been paid to The Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd.

REGISTRAR & TRANSFER AGENTS

Link Intime India Pvt. Ltd.,
C-13, Pannalal Silk Mills Compound, LBS Road,
Bhandup [West], Mumbai – 400 078.

Tel. No. – 022-25 94 69 70. **E-mail id:** rnt.helpdesk@linkintime.co.in

SHARE REGISTRATION

Shares received for transfer are registered within a period of 15 days from the date of receipt of all documents which are clear and complete in all respects.

EMPLOYEES STOCK OPTION SCHEME

The shareholders of the Company in their meeting held on 25th September, 2009, had approved Employees Stock Option Scheme for 21,78,486 equity shares of ₹ 10 each for eligible employees and Directors of the Company. The Company has complied with the relevant provisions of SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 thereafter, in respect thereof.

During the year under review 14554 options were surrendered and cancelled.

During the year under review 191611 options were exercised by the Directors & employees and equal number of equity shares were allotted. Listing formalities were duly completed after the allotment of these shares. 174036 options are outstanding for exercise as on 31st March, 2014.

DEMATERIALISATION OF SHARES : AS ON 31ST MARCH, 2014.

Mode of Holding	Number of shares held	Percentage to Total Capital
N S D L	47763837	73.12
C D S L	16469547	25.21
Total Demat Holding	64233384	98.33
Physical Holding	1091463	1.67
Total Shareholding	65324847	100.00

DISTRIBUTION OF SHAREHOLDING : AS ON 31ST MARCH, 2014.

Shareholding of Shares	Number of Shareholders	Number of Shares held	Percentage to Total Capital
1 - 500	27728	3312578	5.07
501 - 1000	1377	1104719	1.70
1001- 2000	623	961236	1.47
2001- 3000	228	579103	0.89
3001- 4000	104	372158	0.57
4001- 5000	90	425788	0.65
5001- 10000	148	1073435	1.64
10001 and above	149	57495830	88.01
TOTAL	30447	65324847	100.00

THE SHARE HOLDING PATTERN : AS ON 31ST MARCH, 2014.

Group	No. of Shares held	% held
Indian Promoters	37306617	57.11
Directors / Relatives	270660	0.41
Body Corporates	5159404	7.90
Financial Institutions, Insurance Cos., & Banks	3145305	4.82
Trusts & Mutual funds	1073339	1.64
FIs, FCS, NRIs & NRNs	8110406	12.42
Indian Public	10259116	15.70
TOTAL	65324847	100.00

BUILD UP OF EQUITY SHARE CAPITAL

Date of Issue	Type of Issue	Number of Equity Shares	Cumulative Number of Shares	Cumulative Amount
18-Jun-82	Subscriber's to Memorandum	2	2	20
8-Aug-83	Issue of equity shares to Promoters	25000	25002	250020
18-Mar-85	Issue of equity shares to Promoters	123498	148500	1485000
29-Jun-85	Issue of equity shares to Promoters	171500	320000	3200000
27-Jun-86	Issue of equity shares to Promoters	60000	380000	3800000
27-Jun-86	Issue of equity shares through Public Issue	570000	950000	9500000
1-Jan-88	Issue of equity shares on Part conversion of Non Convertible Debentures	1000000	1950000	19500000
8-Feb-90	Issue of equity shares on Conversion of Fully Convertible Debentures	2292500	4242500	42425000
22-Sep-92	Issue of equity shares on Conversion of Fully Convertible Debentures	8280800	12523300	125233000
19-Apr-94	Issue of equity shares on Private Placement	6500000	19023300	190233000
7-Jun-94	Issue of equity shares on Private Placement	2000000	21023300	210233000
1-Apr-95	Issue of equity shares on conversion of convertible debentures issued on Private Placement	10000000	31023300	310233000
10-Jun-05	Issue of equity shares on Preferential basis	15528600	46551900	465519000
28-Mar-06	Issue of equity shares on conversion of Convertible Warrants on issued on Preferential basis	2450000	49001900	490019000
29-Jul-06	Issue of equity shares on conversion of Foreign Currency Convertible Bonds	1525000	50526900	505269000
18-Oct-06	Issue of equity shares on conversion of Convertible Warrants issued on Preferential basis	3848100	54375000	543750000
16-Aug-07	Issue of equity shares on conversion of Foreign Currency Convertible Bonds	2643332	57018332	570183320
28-Aug-07	Issue of equity shares on conversion of Foreign Currency Convertible Bonds	2541666	59559998	595599980
26-Mar-08	Issue of equity shares on conversion of Convertible Warrants issued on Preferential basis	2500000	62059998	620599980
18-Nov-08	Issue of equity shares on Merger	182450	62242448	622424480
23-Aug-10	Issue of equity shares on conversion of Foreign Currency Convertible Bonds	3558333	65800781	658007810
30-Sep-10	Issue of equity shares under QIP issue	5290471	71091252	710912520
27-Oct-10	Issue of equity shares under ESOP	283884	71375136	713751360

29-Nov-10	Issue of equity shares under ESOP	137192	71512328	715123280
30-Dec-10	Issue of equity shares under ESOP	68418	71580746	715807460
28-Jan-11	Issue of equity shares under ESOP	35482	71616228	716162280
29-Mar-11	Issue of equity shares under ESOP	31728	71647956	716479560
29-Jun-11	Issue of equity shares under ESOP	43896	71691852	716918520
4-Aug-11	Issue of equity shares under ESOP	5500	71697352	716973520
20-Oct-11	Issue of equity shares under ESOP	190518	71887870	718878700
3-Dec-11	Issue of equity shares under ESOP	32142	71920012	719200120
26-Dec-11	Issue of equity shares under ESOP	27423	71947435	719474350
19-Mar-12	Issue of equity shares under ESOP	71688	72019123	720191230
21-Jun-12	Issue of equity shares under ESOP	100157	72119280	721192800
24-Jul-12	Issue of equity shares under ESOP	113282	72232562	722325620
28-Sep-12	Issue of equity shares under ESOP	48289	72280851	722808510
05-Nov-12	Issue of equity shares under ESOP	229586	72510437	725104370
19-Dec-12	Issue of equity shares under ESOP	76399	72586836	725868360
19-Mar-13	Issue of equity shares under ESOP	46400	72633236	726332360
20-Jun-13	Issue of equity shares under ESOP	81573	72714809	727148090
13-Aug-13	Issue of equity shares under ESOP	2423	72717232	727172320
21-Aug-13	Issue of equity shares under ESOP	74869	72792101	727921010
16-Sep-13	Buy back of shares	(2018800)	70773301	707733010
23-Sep-13	Buy back of shares	(5481200)	65292101	652921010
19-Dec-13	Issue of equity shares under ESOP	17346	65309447	653094470
18-Mar-14	Issue of equity shares under ESOP	15400	65324847	653248470

DEMAT ISIN Number in NSDL & CDSL INE187A01017
 Share Code on BSE 514034
 Share Code on NSE JBFIND

BUY-BACK OF SHARES

The Company bought back and extinguished 7500000 equity shares of ₹ 10/-each at an aggregate consideration of ₹ 73.23 Crores through the methodology of "Open Market Purchases through Stock Exchanges".

CUMULATIVE REDEEMABLE PREFERENCE SHARES (CRPS)

During the year ended 31st March, 2014, the Company has issued 360722 – 2.5% Cumulative Redeemable Preference Shares of ₹ 100 each to Bank of India in pursuant to line of credit approved by the bank to fund derivative losses.

During the year ended 31st March, 2014, the Company has redeemed 11320000 (One Crore Thirteen Lakh Twenty Thousand) - 2.5% Redeemable Preference Shares of ₹ 100/- each at par in exchange for 1415000 (Fourteen Lakhs Fifteen Thousand only) 20% Cumulative redeemable preference shares of ₹ 100/- each at a premium of ₹ 700/- per share ("New Preference Shares").

TRADING IN EQUITY SHARES OF THE COMPANY IS PERMITTED ONLY IN DEMATERIALIZED FORM.

Index of Share Prices [High & Low] of the Company during the Year on the BSE & NSE :

Month	BSE		NSE	
	High	Low	High	Low
April 2013	109.00	98.60	109.00	99.30
May 2013	115.20	99.50	116.50	99.55
June 2013	112.00	91.50	112.00	93.15
July 2013	99.00	87.05	99.00	86.90
August 2013	99.90	82.00	99.40	81.75
September 2013	104.50	84.05	104.50	84.00
October 2013	86.50	78.85	86.55	79.05
November 2013	86.20	71.20	86.60	71.75
December 2013	88.40	73.00	88.80	73.00
January 2014	87.00	72.00	86.90	71.00
February 2014	76.60	65.50	75.90	64.10
March 2014	86.55	65.00	85.50	65.00

Source : website of BSE & NSE

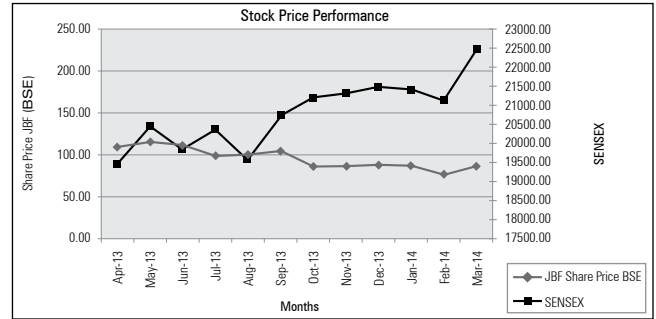
LIQUIDITY:

The average daily turnover of the equity shares of the company during the financial year 2013-2014 is as follows:

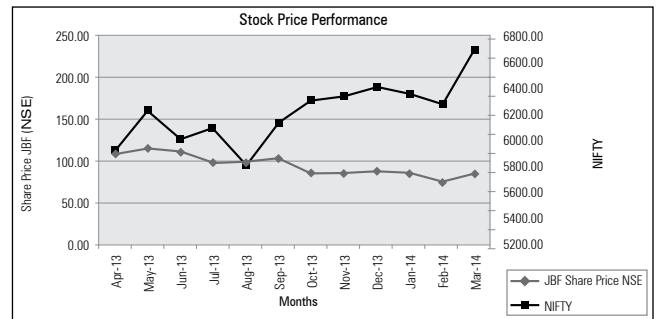
BSE : 47843

NSE : 78215

JBF Share Price at BSE



JBF Share Price at NSE



- Plant Location**
- Survey No. 273, Village Athola, Dadra Nagar Haveli, Silvassa.
 - Saily - Rakholi Road, Dadra Nagar Haveli, Silvassa.
 - Plot No. 11 and 215 to 231, Sarigam GIDC Indl. Area, Tal : Umbergaon, Sarigam,Vapi, Gujarat.

Address for Correspondence **Corporate Office :**
 8th Floor Express Towers,
 Nariman Point, Mumbai - 400 021.
 Tel Nos : 22 88 59 59 Fax No : 22 88 63 93
E-mail Address for General Correspondence : jbf@vsnl.com
E-mail Address for Investor Grievance & Correspondence: sec.sharesjbfmail.com
Website : www.jbfindia.com

COMPLIANCE WITH MANDATORY REQUIREMENTS

The Company has fully complied with the applicable mandatory requirements of Clause 49.

COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

The Company complied with non-mandatory requirements stipulated under Clause 49 with regard to Remuneration Committee only.

Declaration by the Chief Executive Officer under Clause 49 of the Listing Agreement regarding compliance to the Code of Conduct

I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company, for the financial year ended March 31, 2014.

FOR JBF INDUSTRIES LIMITED

Place : Mumbai
 Date : 27th May, 2014

RAKESH GOHI
 CEO & Managing Director

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) ON FINANCIAL STATEMENTS OF THE COMPANY

We, Rakesh Gothi, CEO & Managing Director and P. N. Thakore, CFO & Director – Finance, certify that :

We have reviewed the Audited Financial Statements & Cash Flow Statement for the year ended on 31st March, 2014 and to the best of our knowledge and belief that :-

- These audited financial results do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- These results are in compliance with existing accounting policies, accounting standards, applicable laws and regulations;
- There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended on 31st March, 2014, which are fraudulent, illegal or violative of the Company's code of conduct;
- We accept responsibility for establishing and maintaining internal controls. We have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies;
- We further certify that :-
 - There have been no changes in internal control during this year.
 - We further certify that there have been no changes in accounting policies as on 31st March, 2014.
 - There have been no instances of fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system.

P. N. THAKORE

Director Finance
Chief Financial Officer

RAKESH GOTHI

Managing Director
Chief Executive Officer

**For and on Behalf of the Board of Directors
JBF INDUSTRIES LIMITED**

P. N. THAKORE

CFO & Director Finance

RAKESH GOTHI

CEO & Managing Director

Place : Mumbai

Date : 27th May, 2014.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of

JBF INDUSTRIES LIMITED

- We have examined the compliance of conditions of Corporate Governance by JBF Industries Limited, for the year ended on 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.
- The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- In our opinion and to best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.
- We state that, such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**FOR CHATURVEDI & SHAH
CHARTERED ACCOUNTANTS**
(Registration No.: 101720W)

R.KORIA

Partner
Membership No. 35629

Place: Mumbai

Dated: 27th May, 2014

ANNEXURE C TO DIRECTORS' REPORT

Statement of particulars of employees pursuant to the provision of Section 217(2A) of the Companies Act, 1956 & forming apart of the Directors Report for the year ended 31st March, 2014.

Employed throughout the financial year under review and were in receipt of remuneration for financial year in the aggregate of not less than ₹ 60,00,000/-

Sr. No	Name	Age (Years)	Designation	Remuneration (Gross)	Qualification	Experience (Years)	Date of Commencement of Employment	Last Employment held & designation
1	Mr. Bhagirath Arya	63	Executive Chairman	5,04,97,711	B.E. Electrical	41	08-10-1983	Not Applicable
2	Mr. Rakesh Gothi	63	CEO & Managing Director	79,72,394	B.Tech,MS, MBA	34	01-01-1997	J.K. Synthetics Ltd

NOTES : Remuneration as shown above includes salary, allowances, medical benefits, contribution to provident fund, superannuation scheme and other perquisites.

INDEPENDENT AUDITORS' REPORT

To
The Members of JBF Industries Limited
Report on the Financial Statements

We have audited the accompanying financial statements of 'JBF Industries Limited' ("the Company") which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention in respect of

- (i) Note 16.1 on the Financial Statements, regarding trade receivables amounting to ₹ 36.97 Crore due from Customers in respect of which Company has initiated legal proceedings and a provision of ₹ 15.25 Crore has been considered sufficient against the same.
- (ii) Note 25.1 on the Financial Statements, regarding payment of managerial remuneration, which is subject to the approval of Central Government.

Our opinion is not qualified in respect of above matters.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order 2003 (as amended) ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of

section 227 of the Act, we give in the Annexure hereto, a statement on the matters specified in the paragraphs 4 and 5 of the said Order.

2. As required by section 227(3) of the Act, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
- e) On the basis of the written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act. As regards to a Director nominated by a Financial Institution, he is exempted from the provisions of Section 274 (1) (g) in view of general circular issued by the Department of Company Affairs.

For Chaturvedi & Shah
Chartered Accountants
(Firm Registration No. 101720W)

R. Koria
Partner
Membership No.: 35629

Place: Mumbai

Date: 27th May, 2014

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of JBF Industries Limited on the accounts for the year ended 31st March, 2014

(i) In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- (b) As explained to us, all the fixed assets have been physically verified by the management in accordance with the programme of verification, which in our opinion is reasonable, considering the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification as compared with the available records.
- (c) In our opinion and according to the information and explanations given to us, the Company has not disposed off substantial part of its fixed assets during the year and the going concern status of the Company is not affected.

(ii) In respect of its inventories: -

- (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of inventories as compared to the book records.

(iii) In respect of loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956: -

- (a) The Company has given loan to one subsidiary Company. In respect of the said loan, the maximum amount outstanding at any time during the year was ₹ 82.36 Crore and the year-end balance is ₹ Nil.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of such loan are not prima facie prejudicial to the interest of the Company.
- (c) During the year, loan given by the Company has been fully recovered from the party.
- (d) In respect of the said loan and interest thereon, there is no outstanding amount and therefore the question of overdue amount does not arise.
- (e) The Company has not taken any loan during the year from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956. Consequently, the requirements of sub clauses (f) and (g) of clause (iii) of paragraph 4 of the said Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. The Company has not sold any services during the year. During the course of audit we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (v) In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956:
- (a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered in the register have been so entered.
- (b) According to the information and explanations given to us, the transactions made during the year in pursuance of such contracts or arrangements exceeding value of Rupees five lacs for each party, have been made at prices which are prima facie reasonable as per the information available with the Company.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of clause (vi) of paragraph 4 of the said Order are not applicable to the Company.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has prescribed the maintenance of Cost records pursuant to the Companies (Cost Accounting Records) Rules, 2011, under section 209(1) (d) of the Companies Act, 1956. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.
- (ix) (a) According to the records of the Company in respect of statutory and other dues, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, and Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Cess and any other material statutory dues as applicable with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the disputed statutory dues aggregating to ₹ 0.65 Crore that have not been deposited on account of matters pending before appropriate authorities are as under:

Name of the statute	Nature of the dues	₹ in Crores	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	0.65*	2005-06	Supreme Court
		0.00*	2005-06	CESTAT
Income Tax Act, 1961	Income Tax	0.00*	2008-09	Commissioner(Appeals)
		0.00*	2009-10	ITAT
Total		0.65		

(*) Net of amount ₹ 9.71 Crore deposited under protest.

- (x) The Company does not have accumulated losses at the end of the financial year. It has not incurred any cash losses in the current financial year and in the immediately preceding financial year.
- (xi) Based on our audit procedures and accordingly to the information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institution, banks and debenture holders.
- (xii) In our opinion and according to the explanations given to us and based on the information available, the Company has maintained adequate documents and records in respect of loans and advances granted by it on the basis of security by way of pledge of shares.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society, therefore, the provisions of clause (xiii) of paragraph 4 of the said Order are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and others investment. The Company has maintained proper records of transactions and contracts in respect of shares and other securities and timely entries have been made therein. All shares and other investments have been held by the Company in its own name except certain investments which are made through portfolio manager and held by them in a fiduciary capacity on behalf of the Company.
- (xv) The Company has given guarantees and letter of credit in connection with the Credit facilities extended by banks to its subsidiary Companies as mentioned in Note 30 (c & d) on financial statements, which according to the information and explanations given to us by the management are not prima facie prejudicial to the interest of the Company.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, the term loans raised during the year and those, which were outstanding at the beginning of the year, have prima facie been applied for the purposes for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March 2014, we are of the opinion that funds raised on short term basis of ₹ 7.72 Crore have been utilized for long term investment.
- (xviii) During the year, the Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations provided to us, securities have been created in respect of secured debentures issued by the Company.
- (xx) The Company has not raised any money by way of Public issue during the year
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For Chaturvedi & Shah
Chartered Accountants
(Firm Registration No. 101720W)

R. Koria
Partner
Membership No.: 35629

Place: Mumbai
Date: 27th May, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in Crores)

	Note	As at 31st March, 2014		As at 31st March, 2013	
EQUITY AND LIABILITIES					
SHAREHOLDERS' FUNDS					
Share Capital	2	80.23		182.98	
Reserves and Surplus	3	<u>915.32</u>	995.55	<u>881.79</u>	1,064.77
NON-CURRENT LIABILITIES					
Long-Term Borrowings	4	669.61		712.22	
Deferred Tax Liabilities (Net)	5	170.47		156.19	
Long-Term Provisions	6	<u>23.56</u>	863.64	<u>16.13</u>	884.54
CURRENT LIABILITIES					
Short-Term Borrowings	7	534.13		690.76	
Trade Payables	8	614.92		506.63	
Other Current Liabilities	9	322.54		294.71	
Short-Term Provisions	10	<u>51.09</u>	1,522.68	<u>45.44</u>	1,537.54
TOTAL			<u>3,381.87</u>		<u>3,486.85</u>
ASSETS					
NON-CURRENT ASSETS					
Fixed Assets	11				
Tangible Assets		1,484.41		1,472.84	
Intangible Assets		2.85		2.52	
Capital Work-in-progress		<u>59.73</u>		<u>20.81</u>	
		1,546.99		1,496.17	
Non-Current Investments	12	423.76		424.20	
Long-Term Loans and Advances	13	<u>104.59</u>	2,075.34	<u>92.62</u>	2,012.99
CURRENT ASSETS					
Current Investments	14	0.65		48.63	
Inventories	15	440.53		396.24	
Trade Receivables	16	612.25		554.45	
Cash and Bank Balances	17	42.50		153.88	
Short-Term Loans and Advances	18	159.10		278.70	
Other Current Assets	19	<u>51.50</u>	1,306.53	<u>41.96</u>	1,473.86
TOTAL			<u>3,381.87</u>		<u>3,486.85</u>
Significant Accounting Policies	1				
Notes on Financial Statements	2-37				

As per our report of even date

For **CHATURVEDI & SHAH**

Chartered Accountants

R. KORJA

Partner

Place : Mumbai

Date : 27th May, 2014

For & on behalf of the Board of Directors

B.C. ARYA

Chairman

P. N. THAKORE

Director- Finance

RAKESH GOTHI

Managing Director

UJJWALA APTE

Company Secretary

B R GUPTA

Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Crores)

Particulars	Note	Year ended 31st March, 2014		Year ended 31st March, 2013	
Gross Revenue from Operations	20	5,267.82		4,981.82	
Less:-Excise Duty Recovered on Sales		483.11	4,784.71	477.73	4,504.09
Other Income	21		61.87		72.09
Total Revenue			4,846.58		4,576.18
Expenses					
Cost of Materials Consumed	22		3,798.57		3,558.17
Purchases of Stock-in-Trade	23		6.98		0.14
Changes in inventories of Finished Goods and Stock -in- process	24		30.77		16.03
Employee Benefits Expenses	25		61.77		56.54
Finance Costs	26		167.87		155.79
Depreciation and Amortisation Expense	11		112.22		100.66
Other Expenses	27		602.39		601.76
Total Expenses			4,780.57		4,489.09
Profit Before Exceptional Items and Tax			66.01		87.09
Exceptional Item	28		36.71		–
Profit Before Tax			29.30		87.09
Tax Expenses					
Current Tax			7.22		19.33
Less:- MAT Credit			(7.22)		(19.33)
Deferred Tax Expense			14.28		35.59
			14.28		35.59
Profit After Tax			15.02		51.50
Prior Period Adjustments			0.03		0.02
Profit for the Year			14.99		51.48
Earnings per share (of ₹10 each) - (in ₹) Basic	29		1.70		6.76
- (in ₹) Diluted			1.70		6.72
Significant Accounting Policies	1				
Notes on Financial Statements	2-37				

As per our report of even date

For CHATURVEDI & SHAH
Chartered Accountants

R. KORIA
Partner

Place : Mumbai

Date : 27th May, 2014

For & on behalf of the Board of Directors

B. C. ARYA
Chairman

P. N. THAKORE
Director- Finance

RAKESH GOTHI
Managing Director

UJJWALA APTE
Company Secretary

B R GUPTA
Director

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**1 SIGNIFICANT ACCOUNTING POLICIES****A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/ 2013 dated 13 September 2013 of the Ministry of Corporate Affairs). The financial statements have been prepared as a going concern basis under the historical cost convention.

B. USE OF ESTIMATE

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialized.

C. FIXED ASSETS

Fixed assets are stated at cost of acquisition or construction, net of cenvat/Value added Tax, less accumulated depreciation and impairment loss, if any. All costs, including finance cost till commencement of commercial production, net charges on forward exchange contracts and adjustment arising from exchange rate differences/ variations attributable to the fixed assets are capitalised.

D. ASSETS TAKEN ON LEASE

The lower of the fair value of the assets and present value of the minimum lease rentals is capitalized as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component, if any, is charged to Statement of Profit and loss.

E. INTANGIBLE ASSETS

Intangible assets are stated at cost of acquisition less accumulated amortisation. Computer Software is amortised over a period of five years.

F. DEPRECIATION

- i. Depreciation is provided on straight line method at the rates and in the manner prescribed in Schedule XIV, of the Companies Act, 1956.
- ii. Depreciation on addition during the year has been provided on pro rata basis succeeding to the month of addition.
- iii. The leasehold land has been amortised over the lease period.
- iv. Depreciation has been provided over the residual life of the respective fixed assets for additions arising on account of translation of foreign currency liabilities, insurance spares and on additions or extensions forming an integral part of the existing assets.

G. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

H. INVESTMENTS

Current investments are carried at lower of cost and market value/NAV, computed individually. Long- Term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such decline is other than temporary in the opinion of the management.

I. INVENTORIES

In general, all inventories are measured at lower of cost and net realisable value. Cost of inventories comprise of all cost of purchase, cost of conversion and other cost incurred in bringing the inventory to their present location and condition. Raw Materials & Stores and Spares are determined on FIFO Basis. Waste, by products and trial run products are valued at net realisable value. Inventories of Finished Goods and Waste include excise duty, wherever applicable.

J. TRANSACTION IN FOREIGN CURRENCY

- i. Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the date of the transaction.
- ii. Monetary Items denominated in foreign currencies at the year end are restated at year end rates. In case of those items, which are covered by forward exchange contracts, the difference between the year end rate and spot rate on the date of the contract is recognised as exchange difference in the Statement of Profit and Loss and the premium paid on forward contracts has been recognised over the life of the contract.
- iii. Exchange difference relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of depreciable fixed asset is adjusted to the carrying cost of the fixed asset. In other cases such difference are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised to the Statement of Profit and Loss over the balance life of the long term monetary item, however that the period of amortization does not extend beyond 31st March, 2020.
- iv. All other exchange difference are dealt with in the Statement of Profit and Loss.
- v. Non monetary foreign currency items are carried at cost.

K. DERIVATIVE INSTRUMENTS

In respect of derivatives contracts, premium paid, gain/loss on settlement and losses on restatements are recognised in the Statement of Profit & Loss except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

L. ISSUE EXPENSES

Equity Share/ Share Warrants / Bonds issue expenses are adjusted against Securities Premium Account.

M. REVENUE RECOGNITION

Revenue from sale of products is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection and significant risk and rewards of ownership of the goods have passed to the buyer. Revenue from Operations includes sale of products, waste, services, export Incentives and excise duty and are net of sales tax, value added tax, discounts and claims. Dividend Income is recognised when right to receive the payment is established by the balance sheet date. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

N. BORROWING COST

Borrowing Cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other cost is charged to revenue.

O. CUSTOMS

Liability on account of Customs Duty on Imported materials in transit or in bonded warehouse is accounted in the year in which the goods are cleared from customs.

P. EXPORT INCENTIVES

Export Incentives other than advance license are recognised at the time of exports and the benefit in respect of advance license received by the company against export made by it are recognised as and when goods are imported against them.

Q. EMPLOYEE BENEFITS

- i. Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.
- ii. Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognized at the present value of the amounts payable determined using actuarial valuation techniques based on Projected unit credit method. Actuarial gain/losses in respect of post employment and other long term benefits are charged to Statement of Profit and Loss.
- iii. In respect of employee's stock options, the excess of market price on the date of grant over the exercise price is recognised as deferred employee compensation expenses amortised over vesting period.
- iv. Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

R. PROVISION FOR CURRENT AND DEFERRED TAX

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future. In the case of Unabsorbed depreciation and carry forward tax losses, all deferred tax asset are recognised only if there is virtual certainty that they can be realised against future taxable profits.

Minimum Alternative Tax (MAT) is recognised as an asset only when, and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income-tax during the specified period.

S. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

2. SHARE CAPITAL

Particulars	(₹ in Crores)	
	As at 31st March, 2014	As at 31st March, 2013
Authorised		
100,000,000 (Previous Year 100,000,000) Equity Shares of ₹ 10 each	100.00	100.00
12,500,000 (Previous Year 12,500,000) Cumulative Redeemable Preference shares of ₹ 100 each	125.00	125.00
	225.00	225.00
Issued Subscribed & Paid up		
65,324,847 (Previous Year 72,633,236) Equity Shares of ₹ 10 each fully paid up	65.32	72.63
75,709 (Previous Year 11,034,987) 2.5% Cumulative Redeemable Preference Shares of ₹ 100 each fully paid up	0.76	110.35
1,415,000 (Previous Year Nil) 20% Cumulative Redeemable Preference Shares of ₹ 100 each fully paid up	14.15	--
TOTAL	80.23	182.98

2.1 Terms/rights attached to Equity Shares

The holders of equity shares of ₹ 10 each are entitled to one vote per share. The equity shareholders are entitled to dividend only if dividend in a particular financial year is recommended by the Board of Directors and approved by the member at the annual general meeting of the year. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive out of the remaining assets of the company, after distribution of Preferential amounts. The distribution will be in proportion to the number of equity shares held by share holders.

2.2 Terms/rights attached to Cumulative Redeemable Preference Shares (CRPS)

The holder of Preference Share of the Company have a right to vote at a General Meeting of the Company only in accordance with limitations and provisions laid down in Section 87 (2) of the Companies Act, 1956. The Preference Shares shall carry dividend at the rate of 2.5 % and 20.00% per annum payable annually. The preference share holders will be entitled to receive out of the remaining assets of the company after distribution to lenders. 75,709 2.5% CRPS are redeemable at par as : 36,509 shares on 30.09.2020, 17,837 shares on 30.09.2019 and 21,363 shares on 30.09.2018. 14,15,000 20% CRPS are redeemable at a premium of ₹ 700 per share as : 3,15,000 shares on 30.09.2020, 7,70,000 shares on 30.09.2019 and 3,30,000 shares on 30.09.2018.

2.3 i) Reconciliation of number of Equity Shares outstanding at beginning and at the end of year:

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number	₹ in Crores	Number	₹ in Crores
Shares outstanding at the beginning of the year	7,26,33,236	72.63	7,20,19,123	72.02
Add:- Shares Issued On exercise of option by ESOS holders during the year	191611	0.19	6,14,113	0.61
Less:- Shares bought back and extinguished during the year (Refer Note No.2.4)	75,00,000	7.50	--	--
Shares outstanding at the end of the year	6,53,24,847	65.32	7,26,33,236	72.63

ii) Reconciliation of number of 2.5% Cumulative Redeemable Preference Shares outstanding at the beginning and at the end of year:

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number	₹ in Crores	Number	₹ in Crores
Shares outstanding at the beginning of the year	1,10,34,987	110.35	88,39,200	88.39
Add:- Shares Issued On conversion of debt to a lender (Refer Note No.2.5)	3,60,722	3.61	21,95,787	21.96
Less:-Shares redeemed during the year (Refer Note No.2.6)	1,13,20,000	113.20	--	--
Shares outstanding at the end of the year	75,709	0.76	1,10,34,987	110.35

iii) Reconciliation of number of 20 % Cumulative Redeemable Preference Shares outstanding at the beginning and at the end of year:

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number	₹ in Crores	Number	₹ in Crores
Shares outstanding at the beginning of the year	--	--	--	--
Add:- Shares Issued during the year (Refer Note No.2.6)	14,15,000	14.15	--	--
Shares outstanding at the end of the year	14,15,000	14.15	--	--

2.4 Pursuant to the approval of the Board of Directors under Section 77A of the Companies Act, 1956, during the year the Company bought back and extinguished 75,00,000 equity shares of ₹ 10 each at an aggregate consideration of ₹ 73.23 Crores from open market by utilizing the Security Premium Account of ₹ 65.73 Crores. The offer got closed on 27th September, 2013. In terms of Section 77AA of the Companies Act, 1956, ₹ 7.50 Crores being the amount equal to nominal value of share so bought back and extinguished has been transferred from General Reserve to Capital Redemption Reserve.

2.5 The Company has allotted 3,60,722 (Previous Year 21,95,787) 2.5% Cumulative Redeemable Preference Shares (CRPS) of ₹ 100 each fully paid up aggregating to ₹ 3.61 Crores (Previous Year ₹ 21.96 Crores) to Bank of India in pursuant to line of credit approved by the bank to fund derivative losses.

2.6 Pursuant to the approval of the preference and equity shareholders of the Company under section 80, 94 and other applicable provisions of the Companies Act, 1956, the Company has redeemed 1,13,20,000-2.5% Cumulative Redeemable Preference Shares of ₹ 100/- each at par in exchange for 14,15,000 -20% Cumulative Redeemable Preference Shares of ₹ 100/- each at a premium of ₹ 700/- per share.

2.7 Options outstanding 1,74,036 (Previous year 3,80,201) Equity shares to ESOS holders as on 31st March, 2014 (Refer Note No. 25.3).

2.8 The details of shareholder holding more than 5% shares :

Name of Equity Shareholders	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	Percentage	No. of Shares	Percentage
Bhagirath Arya	2,72,11,175	41.66%	2,40,63,607	33.13%
Vaidic Resources Private Limited	39,06,304	5.98%	39,06,304	5.38%
Chinar Arya	43,00,000	6.58%	43,00,000	5.92%
Cresta Fund Ltd	39,00,000	5.97%	NA*	NA*

* below 5%, hence not disclosed.

Name of Preference Shareholder of 2.5% CRPS

Name of Preference Shareholder of 2.5% CRPS	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	Percentage	No. of Shares	Percentage
Bank of India	75,709	100%	1,10,34,987	100%

Name of Preference Shareholder of 20 % CRPS

Name of Preference Shareholder of 20 % CRPS	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	Percentage	No. of Shares	Percentage
Bank of India	14,15,000	100%	NIL	NIL

2.9 Redemption premium on 20% CRPS will be paid out of the Securities Premium Account, hence no provision has been considered necessary.

3. RESERVES AND SURPLUS

(₹ in Crores)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
Capital Reserve				
As per Last Balance Sheet		10.62		10.62
Capital Redemption Reserve				
Transferred from General Reserve		7.50		–
Securities Premium Account				
As per Last Balance Sheet	406.93		401.54	
Add: Received on issue of Equity Shares	1.70		5.39	
Received on issue of Preference Shares	99.05		–	
	507.68		406.93	
Less: Utilised for Buy Back of Equity Shares*	65.73	441.95	–	406.93
Debenture Redemption Reserve				
As per Last Balance Sheet	7.69		7.08	
Add : Transferred from Surplus	–		0.61	
	7.69		7.69	
Less : Transferred to Surplus	3.17	4.52	–	7.69
General Reserve				
As per last Balance Sheet	72.60		67.40	
Add: Transferred from Surplus	1.15		5.20	
	73.75		72.60	
Less: Transferred to Capital Redemption Reserve*	7.50	66.25	–	72.60
Employee Stock Option Outstanding				
As per last Balance Sheet	1.47		3.81	
Less: Option lapsed during the year	0.05		0.01	
Option Exercised during the year	0.74		2.33	
	0.68		1.47	
Less: Deferred Compensation Expenses				
As per last Balance Sheet	0.02		0.44	
Less: Amortised / lapsed during the year	0.02		0.42	
	–	0.68	0.02	1.45
Foreign Currency Monetary Items Translation Difference Account		–		(2.01)
Surplus in Statement of Profit and Loss				
As per last Balance Sheet	384.51		350.13	
Add: Net Profit for the year	14.99		51.48	
Amount available for Appropriations	399.50		401.61	
Appropriations				
Transfer to General Reserve	1.15		5.20	
Transfer (from)/ to Debenture Redemption Reserve	(3.17)		0.61	
Short / (Excess) Provision of dividend in previous year	(0.73)		0.17	
Short / (Excess) provision of dividend distribution tax	(0.12)		0.03	
Proposed Dividend on 2.5% Redemable Preference Share (Dividend per share ₹ 2.50 p.a. Previous year ₹ 2.50 p.a.)	2.76		2.22	
Proposed Dividend on 20% Redemable Preference Share (Dividend per share ₹ 20 p.a. Previous year ₹ NIL p.a.)	0.05		–	
Proposed Dividend on Equity Shares (Dividend per share ₹ 2.00 Previous year ₹ 1.00)	13.06		7.26	
Dividend Distribution Tax on Proposed Dividends	2.70	383.80	1.61	384.51
TOTAL		915.32		881.79

* Refer Note No. 2.4

4 LONG TERM BORROWINGS

(₹ in Crores)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
Secured Loans				
(a) Debentures				
Non Convertible Debentures				20.00
(b) Term loans				
from banks	374.40		323.34	
from Financial Institution	25.67		41.05	
from Corporate Body	45.00	445.07	25.00	389.39
(c) External Commercial Borrowings		136.12		188.67
(d) Vehicle Loans		0.15		0.20
		<u>581.34</u>		<u>598.26</u>
Unsecured Loans				
(a) Term loans		88.27		113.96
from a bank		<u>88.27</u>		<u>113.96</u>
TOTAL		<u>669.61</u>		<u>712.22</u>

- 4.1 11.15 % Debentures [including current maturities of long term borrowings of ₹ 20.00 Crores (Previous Year ₹ 20.00 Crores) Refer Note No. 9] of ₹ 20.00 Crores (Previous Year ₹ 40.00 Crores) referred to in (a) above are secured by way of first mortgage & charge on pari passu basis on all the immovable and movable properties except current assets, present and future, situated at Silvassa, Dadra & Nagar Haveli (Union Territory) and at Sarigam, District Valsad, Gujarat.
- 4.2 Term Loans [including current maturities of long term borrowings of ₹ 70.57 Crores (Previous year ₹ 36.37 Crores) Refer Note No. 9] of ₹ 364.39 Crores (Previous Year ₹ 353.89 Crores) referred to in (b) above, which carry interest at the rate 11.00% to 12.75 %, are secured by way of first mortgage & charge on pari passu basis on all the immovable and movable properties, present and future, situated at Silvassa, Dadra & Nagar Haveli (Union Territory) and at Sarigam, District Valsad, Gujarat and are further secured by Second charge on current assets of the Company, present and future, situated at Silvassa, Dadra & Nagar Haveli (Union Territory) and at Sarigam, District Valsad, Gujarat.
- 4.3 Term Loans [including current maturities of long term borrowings of ₹ 18.75 Crores (Previous Year ₹ NIL) - Refer Note No. 9] of ₹ 125.00 Crores (Previous Year ₹ NIL) referred to in (b) above, which carry interest at the rate 11.45 % to 12.50%, Term Loan of ₹ 75.00 Crores is secured by way of second pari passu charge on the immovable properties, present and future, situated at Silvassa, Dadra & Nagar Haveli (Union Territory) and the movable properties except current assets, present and future, situated at Silvassa, Dadra & Nagar Haveli (Union Territory) and at Sarigam, District Valsad, Gujarat and are further secured by negative lien on the fixed assets situated at Sarigam, District Valsad, Gujarat and personal guarantee of one of the Directors of the Company in his personal capacity. Term Loan of ₹ 50.00 Crores (Previous year ₹ NIL) is secured by way of first mortgage & charge on pari passu basis on all the movable properties except current assets, present and future, situated at Silvassa, Dadra & Nagar Haveli (Union Territory) and at Sarigam, District Valsad, Gujarat and to be secured by way of first mortgage & charge on pari passu basis on all the immovable properties, present and future, situated at Silvassa, Dadra & Nagar Haveli (Union Territory) and at Sarigam, District Valsad, Gujarat.
- 4.4 Term Loan [including current maturities of long term borrowings of ₹ 5.00 Crores (Previous Year ₹ 3.13 Crores) - Refer Note No. 9] of ₹ 50.00 Crores (Previous Year ₹ 25.00 crores) referred to in (b) above, which carry interest at the rate 13.25 %, are secured by way of First pari passu charge on all the immovable and movable properties except current assets, present and future, situated at Silvassa, Dadra & Nagar Haveli (Union Territory) and at Sarigam, District Valsad, Gujarat.
- 4.5 The Loans for vehicle [including current maturities of long term borrowings of ₹ 0.23 Crores (Previous Year Rs.0.17Crores)- Refer Note No. 9] of ₹ 0.38 Crores (Previous Year ₹ 0.37 Crores) referred to in (d) above, which carry interest at the rate 8.18-8.88 %, have been secured by specific charge on the vehicles covered under the said loans.
- 4.6 Term loans [including current maturities of long term borrowings of ₹ 57.50 Crores (Previous Year ₹ 12.88 Crores) - Refer Note No. 9] of ₹ 348.63 Crores (Previous Year ₹ 361.51 crores) referred to in (b) above, are secured by pledge of fixed deposits with banks of ₹ 16.41 Crores (Previous Year ₹ 15.10 Crores).
- 4.7 External Commercial Borrowings [including current maturities of long term borrowings of ₹ 71.80 Crores (Previous Year ₹ 44.80 Crores) - Refer Note No. 9] of ₹ 207.92 Crores (Previous Year ₹ 233.47 Crores) referred to in (c) above, which carry interest at the rate LIBOR plus 2.5 percentage to 5.0 percentage, are secured by way of first mortgage & charge on pari passu basis on all the immovable and movable properties except current assets, present and future, situated at Silvassa, Dadra & Nagar Haveli (Union Territory) and at Sarigam, District Valsad, Gujarat.

4.8 Terms of Repayment

i) Secured Term Loans from Banks

Loan of ₹ 34.38 Crores is repayable in 11 equal quarterly installments of ₹ 3.13 Crores starting from June 2015 and ending on December 2017, Loan of ₹ 30.91 Crores is repayable in 17 equal quarterly installments of ₹ 1.82 Crores starting from April 2015 and ending on June 2019 and loan of ₹ 202.86 Crores is repayable in 14 equal quarterly installments of ₹ 14.49 Crores starting from June 2015 and ending on September 2018, Loan of ₹ 50.00 Crores is repayable in 20 equal quarterly installments of ₹ 2.50 Crores starting from April 2015 and ending on January 2020, Loan of ₹ 56.25 Crores is repayable in 12 equal quarterly installments of ₹ 4.69 Crores starting on April 2015 and ending on January 2018.

ii) Secured Term Loans from Financial Institution

Loan of ₹ 7.14 Crores is repayable in an annual installment of ₹ 7.14 Crores in July 2015. Loan of ₹ 18.53 Crores is repayable in 9 equal quarterly installments of ₹ 2.06 Crores starting from April 2015 and ending on April 2017.

iii) Secured Term Loans from Corporate Body

Loan of ₹ 45.00 Crores is repayable in 12 quarterly installments, first 4 installments of ₹ 1.88 Crores starting from June 2015 and ending on March 2016, next 4 installments of ₹ 4.38 Crores starting from June 2016 and ending on March 2017, and final 4 installments of ₹ 5.00 Crores starting from June 2017 and ending on March 2018.

iv) Secured External Commercial Borrowings

Loan of ₹ 35.90 Crores is repayable in 6 equal quarterly installments of ₹ 5.98 Crores (USD 10,00,000) starting from May 2015 and ending on August 2016, loan of ₹ 82.27 Crores is repayable in 11 equal quarterly installments of ₹ 7.48 Crores (USD 12,50,000) starting from June 2015 and ending on December 2017 and loan of ₹ 17.95 Crores is repayable in 4 equal quarterly installments of ₹ 4.49 Crores (USD 7,50,000) starting from June 2015 and ending on March 2016.

v) Secured Vehicle Loans

Loan of ₹ 0.10 Crores is repayable in financial year 2015-16 and balance of ₹ 0.05 crores in financial year 2016-17.

vi) Unsecured Term Loans From a Bank

Loan of ₹ 88.27 Crores is repayable in 7 equal half yearly installments of ₹ 11.04 Crores starting from April 2015 and ending on April 2018 and one half yearly installment of ₹ 10.98 Crores in October 2018. The same carries interest at the rate 3.50%.

- 4.9 Term loans from banks [including current maturities of long term borrowings of ₹ 22.08 Crores (Previous Year optionally convertible loans of ₹ 68.73 Crores) aggregating to ₹ 110.35 Crores (Previous year ₹ 182.69 Crores) is guaranteed by one of the Directors of the company in his personal capacity.

5 DEFERRED TAX LIABILITIES (NET)

Particulars	(₹ in Crores)	
	As at 31st March, 2014	As at 31st March, 2013
(a) Deferred Tax Liability		
Related to fixed assets	205.45	184.75
(b) Deferred Tax Assets		
Unabsorbed Depreciation	26.35	22.47
Disallowance under Section 43B of the Income Tax Act, 1961	1.53	1.15
Others	7.10	4.94
TOTAL	170.47	156.19

6 LONG TERM PROVISIONS

Particulars	(₹ in Crores)	
	As at 31st March, 2014	As at 31st March, 2013
Provision for Employee Benefits (Refer Note No. 25.2)		
Gratuity	4.31	3.93
Others		
Provision for Marked -to- Market on Derivative Contracts	19.25	12.20
TOTAL	23.56	16.13

7 SHORT TERM BORROWINGS

Particulars	(₹ in Crores)	
	As at 31st March, 2014	As at 31st March, 2013
Secured Loans		
(a) Working Capital Loans		
from banks	233.76	115.74
(b) Buyer's Credit	195.41	117.59
	<u>429.17</u>	<u>233.33</u>
Unsecured Loans		
(c) Working Capital Loans		
from banks	50.86	168.53
(d) Buyer's Credit	-	218.22
(e) Supplier's Credit (backed by letter of Credit)	54.10	70.68
	<u>104.96</u>	<u>457.43</u>
TOTAL	534.13	690.76

7.1 Working Capital Loans as referred to in (a) above of ₹ 208.63 Crores (Previous year ₹ 115.74 Crores) are secured by a first charge on pari passu basis without any preference or priority over each other on all Current Assets of the company both present and future, situated at Silvassa, Dadra & Nagar Haveli (Union Territory) and at Sarigam, District Valsad, Gujarat and are also secured by way of Second charge on pari passu basis on movable and immovable properties of the company both present and future, situated at Silvassa, Dadra & Nagar Haveli (Union Territory) and at Sarigam, District Valsad, Gujarat, and ₹ 25.13 Crores (Previous Year ₹ Nil) are secured by way of subservient charge on current assets both present and future of the company.

7.2 Buyers Credit referred to in (b) above of ₹ 195.41 Crores, (Previous Year ₹ 79.85 Crores) are secured by a first charge on pari passu basis without any preference or priority over each other on all Current Assets of the company both present and future, situated at Silvassa, Dadra & Nagar Haveli (Union Territory) and at Sarigam, District Valsad, Gujarat and are also secured by way of Second charge on pari passu basis on movable and immovable properties of the company both present and future situated at Silvassa, Dadra & Nagar Haveli (Union Territory) and at Sarigam, District Valsad, Gujarat and ₹ NIL (Previous Year ₹ 37.74 Crores) are secured by way of subservient charge on current assets both present and future of the company.

8 TRADE PAYABLES

Particulars	(₹ in Crores)	
	As at 31st March, 2014	As at 31st March, 2013
Micro, Small and Medium Enterprises	2.48	2.23
Others	612.44	504.40
TOTAL	614.92	506.63

8.1 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 :

Amount due to Micro, Small and Medium Enterprises are disclosed on the basis of information available with the Company regarding status of the suppliers is as follows :

Particulars	(₹ in Crores)	
	As at 31st March, 2014	As at 31st March, 2013
1. Principal Amount remaining unpaid at the end of the year	2.48	2.23
2. Interest due thereon	-	-
3. Interest paid during the year	-	-
4. Interest due and payable (on the amount which have been paid beyond the appointed date during the year)	-	-
5. Interest remaining accrued and unpaid at the end of the year	-	-
6. Interest due of the previous year	-	-

9 OTHER CURRENT LIABILITIES

Particulars	(₹ in Crores)	
	As at 31st March, 2014	As at 31st March, 2013
Current Maturities of long-term Borrowings		
- Debentures	20.00	20.00
- Term Loans	116.40	39.50
- External Commercial Borrowings	71.80	101.55
- Vehicle Loans	0.23	0.17
Current Maturities of Optionally convertible loans (Refer Note No. 9.3)	-	68.73
Interest accrued but not due on borrowings	1.70	3.74
Income received in advance	0.24	0.22
Unpaid dividends	1.29	1.33
Deposit from customers	0.19	0.28
Deposit against Excise Liabilities	1.30	1.30
Advance from Customers	58.17	23.18
Creditors for capital expenditure	21.87	16.49
Other payables	29.35	18.22
TOTAL	322.54	294.71

9.1 Unpaid dividends does not include any amounts, due & outstanding, to be credited to Investor Education & Protection Fund.

9.2 Other payables includes Salaries, wages & bonus payable, Withholding & Other Taxes payable and Provision for Expenses.

9.3 In respect of Optionally Convertible Loan, the company had option to convert it into such number of Equity Shares of ₹ 10 each by 30th September, 2013 at a price to be determined according to SEBI Rules and Guidelines prevailing at that time. The Board of Directors at their meeting held on 21st August, 2013 decided to repay the loan and accordingly the full amount has been paid alongwith differential interest of ₹ 16.13 Crores.

9.4 Advance from customers includes ₹ 42.15 Crores (Previous Year ₹ NIL) due to a related party.

10 SHORT TERM PROVISION

Particulars	(₹ in Crores)	
	As at 31st March, 2014	As at 31st March, 2013
Provision for employee benefits (Refer Note No. 25.2)		
Gratuity	1.07	1.02
Leave Encashment	2.91	2.66
Others		
Excise Duty Provision	15.62	17.63
Provision for Marked -to- Market on Derivative Contracts	12.92	13.04
Proposed Dividend on Preference Shares	2.81	2.22
Proposed Dividend on Equity Shares	13.06	7.26
Provision for Dividend Distribution Tax	2.70	1.61
TOTAL	51.09	45.44

10.1 The company has recognised liability based on substantial degree of estimation for excise duty payable on clearance of goods lying in stock as on 31st March, 2013 of ₹ 17.63 Crores as per the estimated pattern of Despatches. During the year ₹ 17.30 Crores was utilised for clearance of goods. Liability recognised under this class as at 31st March, 2014 is ₹ 15.62 Crores. Actual outflow is expected in the next financial year.

11 FIXED ASSETS

(₹ in Crores)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01-04-2013	Additions/ Adjustments	Deductions/ Adjustments	As at 31-03-2014	Up to 31-03-2013	For the year	Deductions/ Adjustments	Upto 31-03-2014	As At 31-03-2014	As At 31-03-2013
Tangible Assets										
Land : Free-hold	26.11	10.25	--	36.36	--	--	--	--	36.36	26.11
Leasehold	1.60	--	--	1.60	0.12	0.02	--	0.14	1.46	1.48
Buildings	227.71	4.35	0.14	231.92	42.48	7.65	0.02	50.11	181.81	185.23
Plant & Machineries	1,785.36	108.40	2.26	1,891.50	532.44	102.84	1.29	633.99	1,257.51	1,252.92
Furniture & Fixtures	6.72	0.15	0.03	6.84	3.17	0.41	0.01	3.57	3.27	3.55
Office Equipments	1.66	0.08	0.05	1.69	0.52	0.09	0.02	0.59	1.10	1.14
Vehicles	2.74	0.27	0.08	2.93	1.12	0.26	0.04	1.34	1.59	1.62
Data Processing Equipments	3.99	0.84	0.07	4.76	3.20	0.31	0.06	3.45	1.31	0.79
	2,055.89	124.34	2.63	2,177.60	583.05	111.58	1.44	693.19	1,484.41	1,472.84
Intangible Assets										
Software*	4.34	0.97	0.00	5.31	1.82	0.64	0.00	2.46	2.85	2.52
	4.34	0.97	0.00	5.31	1.82	0.64	0.00	2.46	2.85	2.52
Total	2,060.23	125.31	2.63	2,182.91	584.87	112.22	1.44	695.65	1,487.26	1,475.36
Previous Year	1,768.86	304.54	13.17	2,060.23	492.66	100.66	8.45	584.87	1,475.36	--
Capital work-in-progress									59.73	20.81

* other than internally generated.

11.1 Buildings include ₹ 8,000/- (Previous Year ₹ 8,000/-) being the value of Shares of Co-operative Societies.

11.2 Additions to fixed assets & Capital work in Progress includes loss of ₹ 25.46 Crores (Previous Year ₹ 50.25 Crores) on account of foreign exchange difference during the year.

11.3 Capital work in progress includes :

i) ₹ 1.48 Crores on account of Preoperative expenses (Previous Year ₹ 0.90 Crores).

ii) ₹ 10.88 Crores on account of cost of construction material at site (Previous Year ₹ 1.17 Crores)

11.4 Details of the Preoperative Expenditure :

(₹ in Crores)

Particulars	As at 31st March, 2014	As at 31st March, 2013
EXPENDITURE :		
Power & Fuel	0.03	0.57
Security charges (₹ 6,500/-)	0.00	--
Other Manufacturing Expenses	0.04	0.02
Salary, Wages & Allowances	0.60	0.23
Employees Welfare & Other Amenities	0.01	0.05
Contribution to Provident Fund ESIC and Other Funds (₹ 3,259/-)	0.00	--
Repairs & Maintenance – Others (₹ 5,193/- and Previous Year ₹ 4,097/-)	0.00	0.00
Travelling & Conveyance	0.05	0.06
Legal & Professional Fees (₹ 25,000/- and Previous Year ₹ 9,427/-)	0.00	0.00
General Expenses	0.01	0.01
Other Borrowings Costs (₹ 539/-)	0.00	1.07
Interest Expenses	1.73	1.94
Depreciation (₹ 1,385/-)	0.00	--
Pre Operative Expenditure for the Year	2.47	3.95
Add : Pre Operative Expenditure upto Previous Year	0.90	6.24
	3.37	10.19
Less : Allocated to fixed assets during the Year	1.89	9.29
Closing Balance	1.48	0.90

11.5 In accordance with the Accounting Standard (As -28) on "Impairment of Assets" As notified by Companies (Accounting Standards) Rules 2006, the management during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash generating unit in accordance with the said Accounting Standard. On the basis of this review carried out by the management, there was no impairment loss on Fixed Assets during the year ended 31st March, 2014.

12 NON - CURRENT INVESTMENTS (LONG TERM)

(₹ in Crores)

	Face Value (₹ unless otherwise stated)	As at 31st March, 2014		As at 31st March, 2013	
		No. of Shares / Units	₹ in Crores	No. of Shares / Units	₹ in Crores
(A) Trade Investments					
In Equity Instruments					
Unquoted Fully Paid up					
Subsidiary Companies (at Cost)					
JBF Global PTE. Ltd.	USD 1	7,20,00,000	396.17	7,20,00,000	396.17
JBF Global PTE. Ltd. (In ₹ 27)	₹ 1	1	0.00	1	0.00
JBF Petrochemicals Ltd (Refer Note No.12.5)	10	2,50,00,000	25.00	2,50,00,000	25.00
Total Trade Investments (A)			421.17		421.17
(B) Other Than Trade Investments					
(a) In Equity Instruments					
Quoted Fully Paid up					
Others (At Cost)					
Allied Digital Services Ltd.	5	48,000	0.06	48,000	0.05
Unquoted Fully Paid up					
Others (at Cost)					
Sumex Overseas Ltd.	10	15,000	–	15,000	–
Planet 41 Mobi Venture Ltd	10	3,60,000	1.95	3,60,000	1.95
Ansal Hi-Tech Townships Ltd *	10	2,936	0.03	2,936	0.03
BCC Infrastructures Pvt Ltd *	10	59	0.00	59	0.00
In ₹ 590 (Previous Year ₹ 590)					
Godrej Estate Developers Pvt Ltd *	10	–	–	16	0.03
Godrej Sea View Properties Pvt Ltd *	1	–	–	141	0.03
Kunal Spaces Pvt Ltd *	10	54	0.00	54	0.00
In ₹ 540 (Previous Year ₹ 540)					
Nitesh Housing Developers Pvt Ltd *	10	282	0.01	282	0.01
Total Environment Projects Pvt Ltd *	10	150	0.00	150	0.00
In ₹ 1,500 (Previous Year ₹ 1,500)					
VBHC Chennai Value Homes Pvt Ltd *	10	–	–	26	0.00
(Previous Year ₹ 260)					
VBHC Delhi Projects Pvt Ltd- Class A *	1	–	–	260	0.00
(Previous Year ₹ 260)					
VBHC Delhi Value Homes Pvt Ltd *	10	–	–	26	0.00
(Previous Year ₹ 260)					
VBHC Mumbai Value Homes Pvt Ltd -Class A *	1	–	–	260	0.00
(Previous Year ₹ 260)					
Total Equity Instruments (a)			2.05		2.10
(b) In Preference Shares *					
Unquoted Fully Paid up					
Others (at Cost)					
Arimas Developers Private Limited	1	563	0.00	563	0.00
In ₹ 563 (Previous Year ₹ 563)					
BCC Infrastructures Pvt Ltd	10	172	0.00	172	0.00
In ₹ 1,720 (Previous Year ₹ 1,720)					
Ekta World Pvt Ltd	1	505	0.00	505	0.00
In ₹ 505 (Previous Year ₹ 505)					
Runwal Township Pvt Ltd Class A	1	53	0.00	53	0.00
In ₹ 53 (Previous Year ₹ 53)					
Runwal Township Pvt Ltd Class B	1	78	0.00	78	0.00
In ₹ 78 (Previous Year ₹ 78)					
Runwal Township Pvt Ltd Class C	1	53	0.02	53	0.02
Total Preference Shares (b)			0.02		0.02

	Face Value (₹ unless otherwise stated)	As at 31st March, 2014		As at 31st March, 2013	
		No. of Shares / Units	₹ in Crores	No. of Shares / Units	₹ in Crores
(c) In Debentures *					
Unquoted Fully Paid up					
Almond Infrabuild Pvt Ltd	100	–	–	5,701	0.06
Anand Divine Developers Pvt Ltd II	100	2,574	0.03	2,574	0.03
Aristo Realtors Private Ltd	1,000	704	0.07	816	0.08
Arimas Developers Pvt Ltd Class B	100	3,516	0.04	3,516	0.04
Atithi Building Commodities Pvt Ltd	1,000	738	0.07	738	0.07
BCC Infrastructures Pvt Ltd Class A	100	3,878	0.04	4,579	0.05
Bhaveshwar Properties Pvt Ltd	100	–	–	1,346	0.01
Dharmesh Construction Pvt Ltd- OCD	100	5,453	0.05	5,739	0.06
Ekta Parksville Class A Deb Series II (Previous Year ₹ 46,200)	100	–	–	462	0.00
Ekta Parksville Homes Pvt Ltd-Debentures (₹ 41,000)	100	410	0.00	4,140	0.04
Ekta Parksville Homes Pvt Ltd-Debentures II	100	1,036	0.01	1,036	0.01
Ekta Parksville Homes Pvt Ltd-Debentures III	100	–	–	828	0.01
Ekta World Pvt Ltd Deb Class A Series I (Previous Year ₹ 10,700)	100	–	–	107	0.00
Ekta World Pvt Ltd Deb Class A Series II	100	695	0.01	1,211	0.01
Kunal Spaces Pvt Ltd Class A	100	2,302	0.02	3,139	0.03
Marvel Realtors Developers Series I	100	875	0.01	1,361	0.01
Marvel Realtors Developers Series II	100	1,967	0.02	1,967	0.02
Neelkanth Vinayak Realtors Pvt Ltd	100	–	–	1,788	0.02
Nilkanth Tech Park Pvt Ltd Debenture (Previous Year ₹ 18,900)	100	–	–	189	0.00
Nilkanth Tech Park Pvt Ltd Debenture II (₹ 22,600)	100	226	0.00	2,572	0.03
Nilkanth Tech Park Pvt Ltd- Debenture III	100	1,548	0.02	1,548	0.02
Nitesh Housing Developers Pvt Ltd	100	–	–	1,218	0.01
Nitesh Land Holding Pvt Ltd	100	1,104	0.01	1,104	0.01
Runwal Township Pvt Ltd - Class B	100	2,975	0.03	2,975	0.03
Runwal Township Pvt Ltd	100	–	–	10,456	0.10
Total Environment Habitat Pvt. Ltd OCD	100	6,766	0.07	6,766	0.07
Total Environment Projects	100	2,381	0.02	2,381	0.02
VBHC Chennai Value Homes Pvt. Ltd Class A	100	–	–	1,701	0.02
VBHC Delhi Projects Pvt Ltd	100	–	–	982	0.01
VBHC Delhi Value Homes Pvt Ltd	100	–	–	1,376	0.01
VBHC Mumbai Value Homes Pvt. Ltd	100	–	–	2,949	0.03
Total Debentures (c)			0.52		0.91
Total Non-Trade Investments (B)			2.59		3.03
TOTAL NON - CURRENT INVESTMENTS (A+B)			423.76		424.20

Notes:-

* Represents Investments made through Portfolio Manager and held by them in fiduciary capacity on behalf of the company (Refer Note No-12.4)

12.1 Non-Current Investments are carried at cost less provision for diminution in the value other than temporary (Refer Note No-1 H).

12.2 The Aggregate amount of Provision for Diminution in Value of Non Current Investments is ₹ 0.23 Crores (Previous Year ₹ 0.24 Crores)

12.3 Aggregate Amount of Non - Current Investments :

	As at 31st March, 2014		As at 31st March, 2013	
	Book Value (₹ In Crores)	Market value (₹ In Crores)	Book Value (₹ In Crores)	Market value (₹ In Crores)
Quoted Investments	0.06	0.05	0.05	0.05
Unquoted Investments	423.70	–	424.15	–

12.4 As at 31st March 2014, the Company has invested ₹ 0.84 Crores (Previous year ₹ 1.08 Crores) to HDFC Asset Management company Limited (the Portfolio Manager) for providing Discretionary Portfolio Management Services which is in the nature of investment administrative management services and include the responsibility to manage, invest and operate the assets under the HDFC AMC PMS -Real Estate Portfolio -1 ("Real Estate Portfolio"), as per the agreement dated 1st January, 2008. The securities representing the outstanding balance of ₹ 0.63 crores as at 31st March, 2014 (Previous year ₹ 1.07 crores) have been accounted as investment and ₹ 0.21 Crores (Previous Year ₹ 0.01 Crores) as short term loans and advances.

12.5 12,750,000 (Previous Year 12,750,000) Equity Shares of JBF Petrochemicals Limited, a subsidiary of the company have been pledged against loan taken by that subsidiary company from bank.

13 LONG TERM LOANS AND ADVANCES

(₹ in Crores)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
Secured, considered good				
Inter-corporate Deposits		--		5.00
Unsecured, Considered good unless otherwise stated				
Capital Advances		30.50		28.66
Security Deposits		3.12		3.25
Income Tax-Advance Tax & TDS (Net)		35.56		25.87
MAT Credit Entitlement		31.74		24.54
Others				
Considered Good	3.67		5.30	
Considered doubtful	0.08		0.08	
	3.75		5.38	
Less: Provision for doubtful advances	0.08	3.67	0.08	5.30
TOTAL		104.59		92.62

13.1 Others includes mainly Unamortised Ancillary Borrowing Cost and interest receivable.

13.2 Presently the company is liable to pay MAT under section 115JB of the Income Tax Act, 1961 (The Act) and the amount paid as MAT is allowed to be carried forward for being set off against the future tax liabilities computed in accordance with the provisions of the Act, other than Section 115JB, in next Ten years. Based on the future projection of the performances, the Company will be liable to pay the income tax computed as per provisions, other than under section 115JB, of the Act. Accordingly as advised in Guidance note on "Accounting for Credit available in respect of Minimum Alternate Tax under the Income Tax Act 1961" issued by the Institute of Chartered Accountants of India, ₹ 7.22 Crores (Previous year ₹ 19.33 Crores) being the excess of tax payable u/s 115JB of the Act over tax payable as per the provisions other than section 115JB of the Act has been considered as MAT credit entitlement and credited to statement of profit and loss.

14 CURRENT INVESTMENTS

Particulars	Face Value ₹ unless otherwise stated	As at 31st March, 2014		As at 31st March, 2013	
		No. of Shares / Units	₹ in Crores	No. of Shares / Units	₹ in Crores
(a) In Mutual Funds					
(i) Unquoted Fully paid Up (At Cost)					
HDFC- CM Treasury Advantage Plan Weekly Dividend (Previous Year ₹ 16,490) *	10	--	--	1,563	0.00
HDFC- CM Treasury Advantage Plan Weekly Dividend - Direct Plan *	10	47,994	0.05	36,896	0.04
HDFC CMS Treasury Advantage - Retail Daily Dividend Reinvestments	10	--	--	94,624	0.09
Reliance Medium Term Fund- Weekly Dividend Reinvestment	10	14,930	0.03	14,031	0.02
Birla Sunlife Ultra Short Term Fund Weekly Dividend Reinvestment Plan	100	--	--	8,889	0.09
Birla Sunlife Treasury Optimizer Plan- Weekly Dividend Reinvestment	100	9,503	0.10	--	--
Birla Sun Life G-Securities Long Term Growth	10	--	--	12,87,918	3.98
HDFC Prudence Fund- Growth	10	--	--	25,562	0.51
DSP BlackRock Equity Fund - Regular plan -Growth	10	--	--	19,30,999	3.00
Reliance Banking Fund- Growth Plan - Growth Option	10	--	--	2,11,573	1.98
ICICI Prudential Short Term Fund - Growth	10	--	--	13,81,861	3.01
IDFC SSIF Medium Term Plan - Growth	10	--	--	11,00,597	2.01
DSP BlackRock Short Term Fund - Growth	10	--	--	64,17,007	11.69
Birla Sunlife Dynamic Bond Fund - Retail - Growth	10	--	--	63,93,855	11.50
Templeton India Short Term Income Retail Plan -Growth	1,000	--	--	18,887	4.04
Reliance Dynamic Bond Fund- Growth	10	--	--	42,80,080	6.50
HDFC- CM Treasury Advantage Plan Retail Plan Growth	10	1,13,961	0.30	--	--
Total in Unquoted Mutual Fund (At Cost) (i)			0.48		48.46
(ii) Unquoted Fully paid Up (At Other than Cost)					
Baroda Pioneer PSU Equity Fund- Dividend Reinvestment Plan	10	2,50,000	0.17	2,50,000	0.17
Total in Unquoted Mutual Fund (At Other than Cost) (ii)			0.17		0.17
Total In Mutual Funds (i + ii)			0.65		48.63
TOTAL CURRENT INVESTMENTS			0.65		48.63

* Represents Investments made through Portfolio Manager and held by them in fiduciary capacity on behalf of the company (Refer Note No-12.4)

Notes:-

14.1 The Aggregate amount of Provision for Diminution in Value of Current Investments is ₹ 0.08 Crores (Previous Year ₹ 0.08 Crores)

14.2 Current investments are carried at lower of cost and market value/NAV, computed individually (Refer Note No-1 H).

14.3 Aggregate Amount of Current Investments

	As at 31st March, 2014		As at 31st March, 2013	
	Book Value (₹ In Crores)	Market value (₹ In Crores)	Book Value (₹ In Crores)	Market value (₹ In Crores)
Unquoted Investments	0.65	--	48.63	--

15 INVENTORIES

Particulars	As at 31st March, 2014		As at 31st March, 2013	
Raw Materials			106.86	
Goods-in transit	184.49			153.45
Others	36.03	220.52	46.59	26.28
Stock-in-process		18.22		
Finished goods				
Goods-in transit	12.74		21.04	
Others	165.02	177.76	179.43	200.47
Stores, Spares and Consumables				
Goods-in transit	0.70		0.09	
Others	23.33	24.03	15.95	16.04
TOTAL		440.53		396.24

15.1 Stock-in-process includes:

Particulars	As at 31st March, 2014		As at 31st March, 2013	
Polyester Chips		6.93		9.21
Polyester Filament Yarn (POY)		7.02		10.22
Polyester Processed Yarn		4.27		6.27
Others		--		0.58
TOTAL		18.22		26.28

15.2 Finished goods includes:

Particulars	As at 31st March, 2014		As at 31st March, 2013	
Polyester Chips		105.52		124.61
Polyester Filament Yarn (POY)		34.03		53.84
Polyester Processed Yarn		38.21		22.02
TOTAL		177.76		200.47

16 TRADE RECEIVABLES

Particulars	As at 31st March, 2014		As at 31st March, 2013	
Unsecured, Considered Good (Refer Note No 16.1)				
Due for a period exceeding Six months		131.98		116.97
Others		495.76		447.72
		627.74		564.69
Less : Provision for doubtful debts		15.49		10.24
TOTAL		612.25		554.45

16.1 Debts due for a period exceeding six months includes ₹ 36.97 Crores (Previous Year ₹ 41.48 Crores), which are overdue as against which the Company has initiated legal proceedings. The Company is of the view that a substantial part of this amount is recoverable. As a matter of prudence and based on the best estimate a provision of ₹ 15.25 Crores (Previous Year ₹ 10.00 Crores) has been made and which has been considered sufficient.

17 CASH AND BANK BALANCES

(₹ in Crores)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
Cash & Cash Equivalents				
Balance with banks in Current Accounts	17.44		34.64	
Cash on hand	0.08	17.52	0.06	34.70
Other Bank Balances				
In Fixed Deposit Account with Banks				
having 3-12 Months maturities	7.28		52.75	
more than 12 Months maturities	–		50.00	
Deposit earmark against Borrowings	16.41		15.10	
Earmark balance with banks (Unpaid Dividend Account)	1.29	24.98	1.33	119.18
TOTAL		42.50		153.88

18 SHORT TERM LOANS AND ADVANCES

(₹ in Crores)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
Secured, considered good				
Inter-corporate Deposits		55.00		50.00
Unsecured, Considered good				
Loans and Advances to a related party (Refer Note No.31)		–		45.76
Others:				
Inter-corporate Deposits		5.00		18.00
Claims and refund receivable		10.77		27.85
Balance with Excise Authorities		7.67		10.10
Advance to suppliers		11.36		3.98
Loans to Employee Welfare Foundation		–		68.59
Others		69.30		54.42
TOTAL		159.10		278.70

18.1 Unsecured inter-corporate Deposits includes ₹ 5.00 Crores (Previous year ₹ 8.00 Crores) backed by personal guarantee of a promoter of a borrower.

18.2 Secured Inter Corporate Deposits (ICD) Includes:-

- Loan of ₹ 9.00 Crore given in earlier years to TVC Sky Shop Limited (TVC) against the pledge of 25,00,000 equity shares of ₹ 10 each representing 25.73% of the paid up equity share capital of TVC and
- Loan of ₹ 11.00 Crore given in earlier years to Suryachakra Power Corporation Limited (SPCL) against the pledge of 24,31,434 equity shares of ₹ 10.00 each representing 1.62% of the paid up equity share capital of SPCL.

As TVC and SPCL failed to meet its commitments for repayment, the Company invoked the pledge and got transferred above mentioned equity shares in its own Demat account. As the Company does not intend to hold these shares as investment to acquire control of TVC and SPCL but as a security till the above loans are repaid, it continues to disclose the above loans as ICD instead of investments. Further TVC has not been considered as an associate within the meaning of Accounting Standards 23 (AS 23) "Accounting for investment in associates in Consolidated Financial Statements" as notified in the Companies (Accounting Standards) Rules 2006.

18.3 Advance to Supplier includes ₹ NIL (Previous Year ₹ 0.62 Crores) due from a related party.

18.4 Others includes ₹ NIL (Previous Year ₹ 11.60 Crores) due from a related party.

18.5 Others includes Interest receivable, Prepaid Expenses and Cenvat Receivable.

18.6 In accordance with the Clause 32 of Listing Agreement:

- Loans & Advances given in the nature of loans:

(₹ in Crores)

Name of the Company		As at 31st March, 2014	As at 31st March, 2013	Maximum balance during the year
JBF Petrochemical Ltd	Subsidiary	–	45.76	82.36

Note:- As per Company policy, Loans given to employees are not considered under this clause.

b) Investment by the loanee in the share of the Company : Nil

19 OTHER CURRENT ASSETS

Particulars	(₹ in Crores)	
	As at 31st March, 2014	As at 31st March, 2013
Export Incentive Receivable	16.04	25.41
Receivable against sale of fixed asset	--	1.00
Assets held for disposal (₹ 17,200/-)	0.00	--
Guarantee Commission Receivable from a related party (Refer Note No.31)	35.46	15.55
TOTAL	51.50	41.96

20 GROSS REVENUE FROM OPERATION

Particulars	(₹ in Crores)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Sale of products	5,239.70	4,940.41
Export Incentives	24.56	38.30
Other operating revenues	3.56	3.11
TOTAL	5,267.82	4,981.82
Sale of products:		
Polyester Chips	2,629.80	2,577.72
Polyester Filament Yarn (POY)	2,095.68	1,980.53
Polyester Processed Yarn	491.49	368.77
Others	22.73	13.39
TOTAL	5,239.70	4,940.41

21 OTHER INCOME

Particulars	(₹ in Crores)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest Income from -Long term investment	0.22	0.20
- Inter Corporate Deposits	16.85	40.97
- Fixed Deposits	5.89	5.22
- Others	7.28	3.38
Dividend Income from others - on current investments	0.54	1.09
Reversal of Provision for Dimunation in the value of Investment	0.01	--
Profit on sale of Current investments (Net)	4.65	1.78
Sundry Credit Balances Written Back (Net)	1.54	--
Guarantee Commission	24.89	19.45
Miscellaneous income (₹ 36,940/-Previous year ₹ 36,940/-)	0.00	0.00
TOTAL	61.87	72.09

22 COST OF MATERIALS CONSUMED

Particulars	(₹ in Crores)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Raw Material :		
Pure Terephthalic Acid	2,626.35	2,530.05
Mono Ethylene Glycol	962.75	852.44
Chips	55.32	44.35
Master Batch	23.85	8.86
Others	95.21	88.07
	<u>3,763.48</u>	<u>3,523.77</u>
Consumables :		
Colours, Chemicals, Oil & Lubricants Consumed	35.09	34.40
TOTAL	3,798.57	3,558.17

22.1 Value of Raw Material Consumed

(₹ in Crores)

Particulars	Year ended 31st March, 2014	% of Total consumption	Year ended 31st March, 2013	% of Total consumption
Raw Material Consumed				
Indigenous	2,247.33	59.71	2,576.24	73.11
Imported	1,516.15	40.29	947.53	26.89
TOTAL	3,763.48	100.00	3,523.77	100.00

23 PURCHASES OF STOCK IN TRADE

(₹ in Crores)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Mono Ethylene Glycol	5.76	0.04
Pure Terephthalic Acid	0.51	–
Others	0.71	0.10
TOTAL	6.98	0.14

24 CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK -IN- PROCESS

(₹ in Crores)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
At the end of the year		
Finished Goods	177.76	200.47
Stock-in- process	18.22	26.28
At the beginning of the year		
Finished Goods	200.47	216.26
Stock-in- process	26.28	26.52
TOTAL	30.77	16.03

25 EMPLOYEE BENEFIT EXPENSES

(₹ in Crores)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Salaries, Wages and Allowances	56.63	50.44
Contribution to Provident Fund, ESIC and other Funds	2.77	2.57
Gratuity	0.92	1.21
Employees Stock Option Cost	(0.03)	0.41
Employees Welfare and Other Amenities	1.48	1.91
TOTAL	61.77	56.54

25.1 The Shareholders at its meeting held on 28th September 2013, approved the waiver of recovery of excess remuneration of ₹ 3.37 Crores paid to Executive Chairman of the Company for the financial year 2011-12, in excess of the limits prescribed in terms of Schedule XIII of the Companies Act, 1956 and accordingly Company has applied for Central Government Approval and the approval is still awaited. Further Shareholders have also approved waiver of recovery of excess remuneration, exceeding limits prescribed under the Companies Act, 1956, payable in any subsequent years. During the year Company paid an amount of ₹ 5.05 Crores to the Executive Chairman which was in excess of the remuneration as prescribed in the section 309 of the Companies Act, 1956 by ₹ 2.38 Crores. Steps are being taken to obtain Central Government Approval in this regard.

25.2 The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below :

(₹ in Crores)

A. Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised and charged off for the year are as under :

	Year ended 31st March, 2014	Year ended 31st March, 2013
Employer's Contribution to Provident Fund	1.16	1.09
Employer's Contribution to Pension Scheme	1.50	1.38
Employer's Contribution to Other Funds	0.11	0.10

B. Defined Benefit Plan

The present value of Employees' Gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
a. Reconciliation of opening and closing balances of Defined Benefit obligation				
Defined Benefit obligation at beginning of the year	4.95	3.99	2.66	2.17
Current Service Cost	0.71	0.70	0.17	0.24
Interest Cost	0.41	0.34	0.22	0.19
Actuarial (gain)/loss	(0.20)	0.17	0.54	0.72
Benefits paid	(0.49)	(0.25)	(0.68)	(0.66)
Defined Benefit obligation at year end	5.38	4.95	2.91	2.66
b. Reconciliation of fair value of assets and obligations				
Fair value of plan assets at year end	--	--	--	--
Present value of obligation at year end	5.38	4.95	2.91	2.66
Amount recognised in Balance Sheet				
- Current	1.07	1.02	2.91	2.66
- Non- Current	4.31	3.93	--	--
c. Expenses recognized during the year				
	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2014	Year ended 31st March, 2013
Current Service Cost	0.71	0.70	0.17	0.24
Interest Cost	0.41	0.34	0.22	0.19
Expected return on plan assets	--	--	--	--
Actuarial (gain) / loss	(0.20)	0.17	0.54	0.72
Net Cost	0.92	1.21	0.93	1.15

d. Amount for the current and previous four years are as follows :**Gratuity :**

	Year ended 31st				
	March,14	March,13	March,12	March,11	March,10
Defined Benefit Obligation	5.38	4.95	3.99	3.24	2.70
Plan Assets	--	--	--	--	--
Experience Adjustments on plan Liabilities	0.13	0.07	0.11	0.07	0.53
Experience Adjustments on plan Assets	--	--	--	--	--

	Year ended 31st				
	March,14	March,13	March,12	March,11	March,10
Leave Encashment :					
Defined Benefit Obligation	2.91	2.66	2.17	1.68	1.38
Plan Assets	--	--	--	--	--

	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013

e. Actuarial assumptions

Mortality Table (L.I.C.)	2006-08 (Ultimate)		2006-08 (Ultimate)	
Rate of Interest (per annum)	9.00%	8.25%	9.00%	8.25%
Salary growth Rate (per annum)	5%	5%	5%	5%
Withdrawal Rate	1%	1%	1%	1%

The estimated future salary increases takes into account inflation, seniority, promotion and other retirement factors including supply and demand in the employment market. The above information is certified by the actuary.

25.3 Employee Stock Option Scheme

- The Employee Stock Option Scheme, 2009 (JBF ESOS 2009) was introduced and implemented during the year 2009-10 as approved by the shareholders at the Annual General Meeting held on 25th September, 2009. The equity shares reserved for issuance to eligible employee of the company as at 31st March, 2014 is 2,70,855 (Previous Year 2,56,301) Equity Shares of ₹ 10/- each.
- On 25th September, 2009 the Company has granted 21,54,000 Options convertible into Equity Shares of ₹ 10 each to 298 employees. The Exercise Price of the Options was fixed at ₹ 60 each for conversion in to one Equity Share of the Company. Out of above Options 14,554 (Previous Year 4,573) Options have been Lapsed during the year 2013-14.
- The above Options vest over a period ranging from one to three years as follows.

Period of Vesting From Date of Grant	Percentage to Grant
At the end of Twelve Months	33.33
At the end of Twenty Four Months	33.33
At the end of Thirty Six Months	33.33

- iv. All the Options granted till date have an exercise period of Twenty Four months from the date of their vesting.
- v. The Company applies intrinsic- value method of accounting for determining Employee Compensation Expenses for its ESOS. Had the Employee Compensation Expenses been determined using the fair value approach, the Company's Net Profit and basic and diluted earnings per share as reported would have reduced as indicated below:

(₹ in Crores)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Net Profit after tax	15.02	51.50
Prior Period adjustments	0.03	0.02
Proposed Dividend on Preference Shares and tax thereon	3.29	2.60
Net Profit as Reported	11.70	48.88
Less : Employee Compensation Expenses	(0.04)	0.16
Adjusted Proforma	11.74	48.72
Basic Earnings Per Share (₹)		
- As reported	1.70	6.76
- Proforma	1.71	6.74
Diluted Earnings Per Share (₹)		
- As reported	1.70	6.72
- Proforma	1.70	6.70

- vi. The Following Summaries the Company's Stock Option activity for ESOS:

Particulars	As at 31st March, 2014 (No. of Shares)	As at 31st March, 2013 (No. of Shares)
i. Outstanding at the beginning of the year	3,80,201	9,98,887
ii. Granted during the year	--	--
iii. Lapsed during the year	14,554	4,573
iv. Exercised during the year	1,91,611	6,14,113
v. Expired During the year	--	--
vi. Outstanding at the end of the year	--	--
vii. Exercisable at the end of the year	1,74,036	3,80,201
viii. Weighted average Intrinsic value of Options granted during the year	Nil	Nil

26 FINANCE COST

(₹ in Crores)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest expense	126.24	125.20
Other Borrowing Cost	16.76	13.77
Applicable Net loss on foreign currency transaction and translation	24.87	16.82
TOTAL	167.87	155.79

27 OTHER EXPENSES

(₹ in Crores)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Manufacturing Expenses		
Stores & Spares Consumed	8.90	10.88
Power & Fuel	281.11	263.35
Repairs to Building	0.75	0.42
Repairs to Plant & Machinery	1.86	2.10
Security Charges	1.57	1.61
Excise Duty	(1.99)	0.77
Labour Charges	11.14	10.33
Other Manufacturing Expenses	6.21	6.48
	309.55	295.94
Selling and Distribution Expenses		
Packing Material Consumed	82.36	76.62
Freight & Forwarding Charges (Net)	42.18	39.62
Sales Promotion, & Advertising Expenses	0.30	0.43
Brokerage & Commission	13.70	14.82
	138.54	131.49

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Administrative and General Expenses		
Rent	7.96	7.13
Rates & Taxes (Net)	0.35	0.40
Insurance	1.92	1.73
Payment to Auditors'	0.47	0.41
Repairs & Maintenance - Others	1.95	1.50
Travelling & Conveyance Expenses	3.11	2.86
Legal, Professional & Consultancy Charges	2.17	2.02
Provision for Diminution in the value of Investment	–	0.05
Bad debts Written off	4.75	–
Provision for Doubtful Debts	5.25	10.00
Donation	0.40	0.14
Share Buy Back Expenses	0.30	–
Net Loss on Foreign Currency transaction	115.77	75.16
Currency & Interest rate Swap Loss (Net)	2.67	63.42
Loss on sale of Fixed Assets (Net)	0.89	1.77
Sundry Debit Balances Written Off (Net)	–	0.08
Bank Charges	1.73	2.31
General Expenses	4.61	5.35
	154.30	174.33
TOTAL	602.39	601.76

27.1 Payment to Auditors'

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
a) Auditors :		
Audit Fees	0.35	0.30
Tax Audit Fees	0.07	0.07
Certification Charges	0.03	0.02
Reimbursement of expenses	0.01	0.01
b) Cost Audit Fees	0.01	0.01
TOTAL	0.47	0.41

(₹ in Crores)

27.2 General Expenses includes Directors sitting Fees ₹ 0.06 Crores (Previous Year ₹ 0.06 Crores)

27.3 Value of Store & Spare Parts Consumed

Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
	Year ended 31st March, 2014	% of Total consumption	Year ended 31st March, 2013	% of Total consumption
Store & Spare Parts Consumed				
Indigenous	7.38	82.92	9.20	84.56
Imported	1.52	17.08	1.68	15.44
TOTAL	8.90	100.00	10.88	100.00

(₹ in Crores)

27.4 CIF Value of Imports

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Raw Materials	1,540.37	907.71
Capital Equipment	5.90	26.12
Colours & Chemicals and Oil & Lubricants	3.54	6.88
Stores & Spares and consumables	2.18	1.33
TOTAL	1,551.99	942.04

(₹ in Crores)

27.5 Expenditure In Foreign Currency

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Travelling	0.16	0.07
Brokerage & Commission	5.10	4.65
Finance Cost	16.42	27.49
Currency & Interest rate Swap Loss (Net)	–	46.85
Others	0.28	0.10
TOTAL	21.96	79.16

(₹ in Crores)

27.6 Excise Duty includes

(₹ in Crores)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
a) Excise duty shown as reduction from turnover	483.11	477.73
b) Excise duty charged to Statement of Profit and Loss:		
i) Difference between Closing and Opening Stock	(2.01)	0.61
ii) Paid on depot Transfer	0.01	0.10
iii) Others	0.01	0.06

28 In earlier years the Company had provided loans to the JBF Employees Welfare Trust ("the Trust") to purchase its Equity Shares from the open market. To be in compliant with the Amendments to SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 vide SEBI Circular dated January 17, 2013, the Trust disposed off all the securities held by it and remitted the proceeds to the Company towards settlement of outstanding loans. As the Trust has no further assets/securities, the balance amount of ₹ 36.71 Crores recoverable from the Trust has been written off during the year and shown as exceptional items in the financial statements.

29 Earning Per Share (Basic & Diluted):

(₹ in Crores)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Net profit after tax	15.02	51.50
Prior period adjustment	0.03	0.02
Proposed Dividend on preference Shares and tax thereon	3.29	2.60
Net profit after tax attributable to Equity Share holders for Basic EPS	11.70	48.88
Weighted average no. of equity shares outstanding for Basic EPS	6,88,06,865	7,23,15,105
Basic Earning Per Share of ₹ 10 Each (₹)	1.70	6.76
Net profit after tax attributable to Equity Share holders for Basic EPS	11.70	48.88
Weighted average no. of equity shares outstanding for Diluted EPS	6,88,72,462	7,27,37,155
Diluted Earning Per Share of ₹ 10 Each (₹)	1.70	6.72

Reconciliation between number of shares used for calculating basic and diluted earning per share

	As at 31st March, 2014	As at 31st March, 2013
Number of Shares Used for calculating Basic EPS	6,88,06,865	7,23,15,105
Add:- Potential Equity Shares (JBF ESOS-2009)	65,597	4,22,050
Number of Shares used for Calculating Diluted EPS	6,88,72,462	7,27,37,155

30 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ in Crores)

Particulars	As at 31st March 2014	As at 31st March, 2013
(i) Contingent Liabilities		
(a) Demands not acknowledged as debt		
i) Income Tax (₹ 8.60 Crores paid under protest. No cash outflow is expected)	8.60	0.29
ii) Excise Duty (₹ 1.11 Crores paid under protest. No cash outflow is expected)	1.76	1.76
iii) Service tax	—	1.44
iv) Others	0.09	0.09
(b) Guarantees issued by the Bankers	190.25	220.47
(Bank guarantees are provided under contractual/legal obligation. No cash outflow is expected.)		
(c) Corporate Guarantee and pledge of Equity shares of a subsidiary company to a bank against the credit facility to subsidiary Company. (No Cash outflow is expected) (To the extent of credit facility availed and outstanding as on 31st March, 2014)	1,299.79	444.84

(d) Letter of Credit includes ₹ 69.03 Crores (Previous year ₹ 112.76 Crores) extended for Subsidiary Company. (These are established in favour of vendors but cargo/material under the aforesaid Letter of Credit are yet to be received as on end of the year. Cash outflow is expected on the basis of payment terms as mentioned in Letter of Credit.)	395.67	347.38
(e) Export Bill Discounting (No Cash outflow is expected)	24.44	3.92
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance) (Cash outflow is expected on execution of such capital contracts, on progressive basis)	50.53	6.67

31 Related Party Transaction

As per the Accounting standard -18, As notified by Companies (Accounting Standards) Rules 2006, the disclosure of transactions with related parties as defined in the Accounting Standard are given below :

I. Subsidiary Companies:

JBF Global Pte. Ltd.
 JBF Petrochemicals Limited
 JBF Global Europe BVBA
 JBF RAK LLC.
 JBF Bahrain SPC
 JBF Bio Glicols Industria Quimica Ltda

II. Key Managerial Personnel :

Mr. B.C. Arya
 Mr. P. N.Thakore
 Mr. R.Gothi
 Mr. N. K.Shah

III. Relatives of Key Managerial Personnel :

Mrs. Veena Arya Relative of Shri B.C. Arya
 Mr. Cheerag Arya Relative of Shri B.C. Arya
 Ms.Chinar Arya Relative of Shri B.C. Arya
 Mrs. Usha Thakore Relative of Shri P. N. Thakore
 Mr. Abhishek R. Gothi Relative of Shri R. Gothi
 Mr. Abhishek P. Thakore Relative of Shri P. N. Thakore
 Ms. Akanksha P. Thakore Relative of Shri P. N. Thakore

IV. Enterprises over which the Key Managerial personnel and their relatives have significant influence

Arya Texturisers & Twisters
 Arya Industries
 Vaidic Resources Pvt. Ltd.

(₹ in Crores)

Transactions with related parties during the year :

Sr. Particulars No.	Subsidiary Companies		Key Managerial Personnel		Relatives of key Managerial Person		Enterprises over which the key Managerial personnel has Significant Influence		Total
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	
1									
Share Application Money									
a) Opening Balance	--	397.95	--	--	--	--	--	--	397.95
b) Shares Allotted during the year	--	396.17	--	--	--	--	--	--	396.17
c) Refunded During the year	--	1.78	--	--	--	--	--	--	1.78
d) Balance as at 31.03.2014	--	--	--	--	--	--	--	--	--
2									
Non-current investments									
a) Opening Balance	421.17	25.00	--	--	--	--	--	--	25.00
b) Subscribed during the year	--	396.17	--	--	--	--	--	--	396.17
c) Balance as at 31.03.2014	421.17	421.17	--	--	--	--	--	--	421.17
3									
Short term Loan & Advances									
a) Opening Balance	57.36	98.87	--	--	--	--	0.62	1.76	100.63
b) Given during the year	65.73	111.98	--	--	--	--	--	0.62	112.60
c) Refunded/ Adjusted during the year	123.09	153.49	--	--	--	--	0.62	1.76	155.25
d) Balance as at 31.03.2014	--	57.36	--	--	--	--	--	0.62	57.98
4									
Other Current Assets									
Balance as at 31.03.2014	35.46	15.55	--	--	--	--	--	--	15.55
5									
Fixed Assets									
a) Purchase	--	0.65	--	--	--	--	--	--	0.65
b) Sale	--	0.10	--	--	--	--	--	--	0.10
6									
Other Current Liabilities as at 31.03.2014	42.15	--	--	--	--	--	--	--	--
7									
Dividend Paid	--	--	2.65	16.80	0.62	4.96	0.39	3.13	24.89
8									
Income									
a) Revenue from Operations	120.39	63.20	--	--	--	--	--	--	63.20
b) Interest Income	2.18	13.81	--	--	--	--	--	--	13.81
c) Guarantee Commission	24.89	19.45	--	--	--	--	--	--	19.45
9									
Expenditure									
a) Purchases	10.17	--	--	--	--	--	3.21	44.29	44.29
b) Managerial remuneration/ Sitting Fees	--	--	6.55	7.26	0.19	0.16	--	--	7.42
10									
Equity Shares allotted on exercise of ESOS	--	--	0.07	0.32	--	--	--	--	0.32
11									
Guarantees given & Letter of Credit Facility extended	2,557.97	2,371.38	--	--	--	--	--	--	2,371.38

Notes to Related Party Transactions:

- i. Non-current Investment includes ₹25.00 Crores in JBF Petrochemicals Ltd and ₹396.17 Crores in JBF Global Pte Ltd.
- ii. Other Current Assets includes ₹35.46 Crores from JBF Petrochemicals Ltd.
- iii. Other Current Liabilities includes ₹42.15 Crores to JBF RAK LLC.
- iv. Dividend paid includes ₹2.64 Crores, ₹0.43 Crores, ₹0.19 Crores & ₹0.39 Crores to Mr. B C Arya, Ms.Chinar Arya, Mr. Cheerag Arya & Vaidic Resources Pvt. Ltd. respectively.
- v. Income: Revenue from Operations includes ₹97.59 Crores and ₹22.80 Crores from JBF RAK LLC and JBF Bahrain SPC respectively. Interest Income and Guarantee Commission Includes ₹2.18 Crores & ₹24.89 Crores from JBF Petrochemicals Ltd.
- vi. Expenditures: Purchases include ₹10.17 Crores and ₹3.21 Crores from JBF RAK LLC and Arya Industries respectively. Managerial Remuneration include ₹5.05 Crores and ₹0.80 Crores paid to Mr.B C Arya & Mr.Rakesh Gothi respectively.
- vii. Equity Shares allotted on exercise of ESOS includes ₹0.03 Crores & ₹0.04 Crores to Mr. Rakesh Gothi and Mr N.K. Shah respectively.
- viii. Guarantee given and Letter of credit facility extended by the Company includes ₹2,488.94 Crores on behalf of JBF Petrochemical Ltd and ₹69.03 Crores on behalf of JBF Global Pte Ltd.

32 As per Accounting Standard (AS) 17 on " Segment Reporting ", Segment Information has been provided under the Notes to Consolidated Financial Statements.

33 Income Tax Assessment of the Company has been completed up to the accounting year ended on 31 March, 2009.

34 Earnings in Foreign Currency

Particulars	(₹ in Crores)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
FOB Value of Exports	897.12	629.34
Interest Income	--	0.92
Net Gain on Currency & Interest rate Swap	6.73	--
TOTAL	903.85	630.26

34.1 FOB Value of Exports excludes exports in indian currency.

35 Particulars of remittance in foreign currency on account of dividend.

Particulars	(₹ in Crores)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Amount remitted in foreign currency	NIL	NIL

36 Financial and Derivative Instruments :

36.1 Derivative Contracts entered into by the Company and outstanding as on 31st March, 2014.

Particulars	(₹ in Crores)	
	As at 31st March, 2014	As at 31st March, 2013
i) Currency and Interest rate Swap	92.50	125.92
ii) Forward contracts - Receivable	158.06	156.32
iii) Forward contracts - Payable	213.31	28.15
iv) Options	26.47	--
iv) The Company has entered interest rate swap derivatives contracts in respect of External Commercial Borrowings of ₹112.19 Crores (Previous Year ₹108.58 Crores) outstanding as on 31st March, 2014.		

36.2 All Derivative and financial instruments acquired by the company are for hedging purpose only.

36.3 Foreign Currency exposures (except currency swap) that are not hedged by derivative instruments as on 31st March, 2014 relating to :

Particulars	(₹ in Crores)	
	As at 31st March, 2014	As at 31st March, 2013
Investment in Foreign Subsidiary	396.17	396.17
Receivables	40.27	0.40
Payables	906.71	1,158.95

36.4 The Expenses on account of forward premium on outstanding forward exchange contracts to be recognised in the Statement of Profit and Loss of subsequent accounting year aggregate to ₹2.19 Crores (Previous Year ₹0.36 Crores).

37 Previous year's figures have been regrouped, rearrange and reclassified wherever necessary to make them comparable with the current year's classification disclosure.

As per our report of even date

For CHATURVEDI & SHAH
Chartered Accountants

R. KORIA
Partner

Place : Mumbai
Date : 27th May, 2014

For & on behalf of the Board of Directors

B.C.ARYA
Chairman

P. N. THAKORE
Director- Finance

RAKESH GOTHI
Managing Director

UJJWALA APTE
Company Secretary

B R GUPTA
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

(₹ in Crores)

PARTICULARS	Year Ended 31st March, 2014	Year Ended 31st March, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax as per Statement of Profit and Loss	29.30	87.09
Adjustment for :		
Depreciation and amortisation	112.22	100.66
Finance Cost	167.87	155.79
Share Buy back Expenses	0.30	-
Currency & Interest rate Swap Loss (Net)	2.67	63.42
Provisions/(Reversal) for diminution in value of Current Investments	(0.01)	0.05
Loss on sale of Fixed assets (Net)	0.89	1.77
Profit from Current/Long term Investments (Net)	(4.65)	(1.78)
Provision for doubtful debts	5.25	10.00
Bad Debts Written off	4.75	-
Exceptional item	36.71	-
Interest Income	(22.96)	(46.52)
Dividend Income	(0.54)	(1.09)
Employee Stock Option Cost	(0.03)	0.41
Wealth Tax	0.02	0.02
Guarantee Commission	(24.89)	(19.45)
Sundry Balances written off/back (Net)	(1.54)	0.08
Net loss on Foreign currency transactions	29.42	18.93
Operating profit before working capital changes	305.48	282.29
Adjusted for :	334.78	369.38
Trade & Other receivables	(60.20)	(123.83)
Inventories	(44.29)	62.70
Trade & Other Payables	170.96	75.71
Cash generated from operations	401.25	383.96
Direct taxes paid/ TDS deducted/Refund received	(16.91)	(25.08)
Cash generated before prior year adjustments	384.34	358.88
Prior year adjustments	(0.03)	(0.02)
Net cash from operating activities (A)	384.31	358.86
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchases of fixed assets	(133.50)	(194.47)
Sale of fixed assets	1.29	6.52
Purchases of Investments	(98.82)	(240.06)
Sale/Redemption of Investments	151.90	256.67
Movements in Loans and Advances (Net)	90.64	82.14
Dividend Income	0.54	1.09
Interest received	23.53	25.13
Fixed Deposits held for more than three months- placed	(194.63)	(173.21)
Fixed Deposits held for more than three months - matured	290.11	193.86
Net cash used in investing activities (B)	131.06	(42.33)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue of share capital including Security Premium	1.15	3.67
Buy back of Equity Shares	(73.23)	-
Shares Buy Back Expenses	(0.30)	-
Proceeds from long term loans	150.19	150.00
Repayment of long term loans	(233.56)	(202.69)
Short term Loans (Net)	(148.69)	(40.96)
Guarantee Commission received	4.98	3.90
Net loss on Foreign currency transactions	(58.10)	(17.95)
Finance Cost paid	(171.30)	(158.89)
Margin Money (Net)	(1.31)	(1.22)
Currency & Interest rate Swap Profit	7.87	27.56
Dividend paid (Including dividend distribution tax)	(10.25)	(68.00)
Net cash used in / (from) financing activities (C)	(532.55)	(304.58)
NET INCREASE/(DECREASE)] IN CASH & CASH EQUIVALENTS (A+B+C)	(17.18)	11.95
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	34.70	22.75
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	17.52	34.70

Notes :

- The above Cash Flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS-3) on "Cash Flow Statements" as notified by the Companies (Accounting Standard) Rules, 2006.
- Figures in bracket indicates outflows
- Non Cash transactions not considered above :-
Short term Loan of ₹ Nil (Previous Year ₹ 396.17 Crores) to a subsidiary company converted into Equity shares.
- Term Loan of ₹ Nil (Previous Year ₹ 43.79 Crores) and Cumulative Redeemable Preference Shares of ₹ 3.61 Crores (Previous Year ₹ 21.96 Crores) have been funded by Bank of India in respect of derivative losses.
- The figures of previous year have been recast, rearranged and regrouped wherever considered necessary.

As per our report of even date

For CHATURVEDI & SHAH

Chartered Accountants

R. KORIA

Partner

Place : Mumbai

Date : 27th May, 2014

For & on behalf of the Board of Directors**B.C.ARYA**

Chairman

P. N. THAKORE

Director- Finance

RAKESH GOTHI

Managing Director

UJJWALA APTE

Company Secretary

B R GUPTA

Director

INDEPENDENT AUDITORS' REPORT

To
The Board of Directors
JBF Industries Limited

Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of 'JBF Industries Limited' ("the Company") and its subsidiaries (collectively referred to as 'the Group') which comprise the consolidated Balance Sheet as at March 31, 2014, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- (ii) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention in respect of

- (i) Note 17.1 on the Consolidated Financial Statements, regarding trade receivables amounting to ₹ 36.97 Crore due from Customers in respect of which Company has initiated legal proceedings and a provision of ₹ 15.25 Crore has been considered sufficient against the same.
- (ii) Note 24.1 on the Consolidated Financial Statements, regarding payment of managerial remuneration, which is subject to the approval of Central Government.

Our opinion is not qualified in respect of above matters.

Other Matter

We did not audit the financial statements of JBF RAK LLC (Consolidated Financial Statements), JBF Global Pte. Ltd., JBF Petrochemicals Limited and JBF Bio Glicols Industria Quimica Ltda, subsidiary companies, whose financial statements reflect total assets of ₹ 8,886.82 Crore as at March 31, 2014, total revenue of ₹ 3,920.70 Crore and net cash inflows aggregating ₹ 1.66 Crore for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

Our opinion is not qualified in respect of above matter.

For CHATURVEDI & SHAH
Chartered Accountants
Firm Registration No.: 101720W

R.KORIA
Partner
Membership No.: 35629

Place: Mumbai
Date : 27th May, 2014

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in Crores)

EQUITY AND LIABILITIES	Note	As at 31st March, 2014		As at 31st March, 2013	
SHAREHOLDERS' FUNDS					
Share Capital	2	80.23		182.98	
Reserves and Surplus	3	1,804.50	1,884.73	1,687.32	1,870.30
NON-CURRENT LIABILITIES					
Long-Term Borrowings	4	4,558.70		2,317.34	
Deferred Tax Liabilities (Net)	5	170.53		158.11	
Other Long Term Liabilities	6	35.23		-	
Long-Term Provisions	7	40.23	4,804.69	27.12	2,502.57
CURRENT LIABILITIES					
Short-Term Borrowings	8	1,392.29		1,321.62	
Deferred Tax Liabilities	9	6.79		-	
Trade Payables	10	1,184.13		1,123.03	
Other Current Liabilities	11	837.48		794.02	
Short-Term Provisions	12	72.64	3,493.33	53.80	3,292.47
TOTAL			10,182.75		7,665.34
ASSETS					
NON-CURRENT ASSETS					
Fixed Assets	13				
Tangible Assets		4,349.74		3,214.06	
Intangible Assets		24.76		15.32	
Capital Work-in-progress		1,862.73		653.61	
		6,237.23		3,882.99	
Goodwill on Consolidation		104.82		95.13	
Non-current Investments (Other than Associates)		2.60		3.03	
Long-Term Loans and Advances	14	662.41		470.39	
Other Non-Current Assets	15	0.56	7,007.62	-	4,451.54
CURRENT ASSETS					
Current Investments		0.65		48.63	
Inventories	16	1,043.96		923.07	
Trade Receivables	17	1,150.65		1,034.82	
Cash and Bank Balances	18	487.04		596.76	
Short-Term Loans and Advances	19	476.79		584.11	
Other Current Assets	20	16.04	3,175.13	26.41	3,213.80
TOTAL			10,182.75		7,665.34
Significant Accounting Policies	1				
Notes on Consolidated Financial Statements	2-34				

As per our report of even date

For CHATURVEDI & SHAH
Chartered Accountants

R. KORIA
Partner

Place : Mumbai
Date : 27th May, 2014

For & on behalf of the Board of Directors

B.C.ARYA
Chairman

P. N. THAKORE
Director- Finance

RAKESH GOTHI
Managing Director

UJJWALA APTE
Company Secretary

B R GUPTA
Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED AS AT 31ST MARCH, 2014

(₹ in Crores)

Particulars	Note	Year ended 31st March, 2014		Year ended 31st March, 2013	
Gross Revenue from Operations	21	9,050.84		7,933.55	
Less:-Excise Duty Recovered on Sales		483.11	8,567.73	477.73	7,455.82
Other Income	22		41.02		45.51
Total Revenue			8,608.75		7,501.33
Expenses					
Cost of Materials Consumed			6,754.36		5,643.42
Purchases of Stock-in-Trade			6.98		0.14
Changes in inventories of Finished Goods and Stock -in- process	23		(76.47)		61.51
Employee Benefits Expense	24		161.92		135.75
Finance Costs	25		344.62		252.14
Depreciation and Amortisation Expense	13		245.05		200.24
Other Expenses	26		1,134.37		1,057.59
Total Expenses			8,570.83		7,350.79
Profit Before Exceptional & Extraordinary Items and Tax			37.92		150.54
Less: Exceptional Item	27		(36.71)		-
Profit Before Extraordinary Items and Tax			1.21		150.54
Extraordinary Items	28		18.77		-
Profit Before Tax			19.98		150.54
Tax Expenses					
Current Tax			8.16		20.73
Less:- MAT Credit			(7.22)		(19.33)
Deferred Tax Expense			14.20		35.66
Taxes for earlier year			(0.87)		-
			14.27		37.06
Profit After Tax			5.71		113.48
Prior Period Adjustments			0.03		0.02
Profit for the Year			5.68		113.46
Earnings per share (Before Extraordinary Items)	29				
(of ₹ 10 each) - (in ₹) Basic			(2.38)		15.33
- (in ₹) Diluted			(2.38)		15.24
Earnings per share (After Extraordinary Items)					
(of ₹ 10 each) - (in ₹) Basic			0.35		15.33
- (in ₹) Diluted			0.35		15.24
Significant Accounting Policies	1				
Notes on Consolidated Financial Statements	2-34				

As per our report of even date

For CHATURVEDI & SHAH
Chartered Accountants

R. KORIA
Partner

Place : Mumbai
Date : 27th May, 2014

For & on behalf of the Board of Directors

B.C.ARYA
Chairman

P. N. THAKORE
Director- Finance

RAKESH GOTHI
Managing Director

UJJWALA APTE
Company Secretary

B R GUPTA
Director

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

1 - SIGNIFICANT ACCOUNTING POLICIES

A Principles of Consolidation:

The Consolidated financial statements relate to JBF Industries Ltd {'The Company'} and its subsidiary companies. The Consolidated Financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary companies have been combined on line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profit & Loss in accordance with Accounting Standard (AS) 21- "Consolidated Financial Statements".
- In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. The resultant translation exchange difference has been transferred to foreign currency translation reserve.
- The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries or on the date of the financial statements immediately preceding the date of acquisition in subsidiaries are recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the Consolidated Statement of Profit and Loss as the profit or loss on disposal of investment in subsidiaries.
- Minority Interest in share of net profit / (loss) of consolidated financial statements for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.
- Minority Interest in share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the company's shareholders.
- The Consolidated Financial statements have been prepared using uniform accounting policies for like transactions & other events in similar circumstances except as mentioned in the Note No.1.2 of notes on financials statements and are presented to the extent possible, in the same manner as the company's separate financial statements.

B Investments other than in subsidiaries have been accounted as per Accounting Standard 13 (AS) -13 on "Accounting For Investments".

C Other significant accounting policies:

These are set out under "significant accounting policies" as given in the standalone financial statements of the JBF Industries Ltd and it's subsidiaries JBF RAK LLC (Consolidated), JBF Global PTE Ltd., JBF Petrochemicals Ltd and JBF Bio Glicols Industria Quimica Ltda.

1.1 The Following subsidiary companies have been considered in the preparation of consolidated financial statements:

Name of the Company	Nature of Interest	Country of Incorporation	Proportion of ownership Interest
JBF Global Pte Ltd.	Subsidiary	Singapore	100%
JBF Rak LLC.	Step Down Subsidiary	Ras-Al-Khaimah, U.A.E.	100%
JBF Petrochemicals Limited	Step Down Subsidiary	India	100%
JBF Bahrain S.PC	Step Down Subsidiary	Bahrain	100%
JBF Global Europe BVBA	Step Down Subsidiary	Belgium	100%
JBF Bio Glicols Industria Quimica Ltda	Step Down Subsidiary	Brazil	100%

1.2 The Audited Financial Statements as at 31st March, 2014 of JBF Global Pte Ltd (Singapore) have been prepared by following Singapore Financial Reporting Standards, JBF RAK LLC (United Arab Emirates) (Consolidated) have been prepared by following International Financial Reporting Standards and are consolidated as it is without converting them as per the Generally Accepted Accounting Principles as applicable in India.

2 SHARE CAPITAL

Particulars	(₹ in Crores)	
	As at 31st March, 2014	As at 31st March, 2013
Authorised		
100,000,000 (Previous Year 100,000,000) Equity Shares of ₹ 10 each	100.00	100.00
12,500,000 (Previous Year 12,500,000) Cumulative Redeemable Preference shares of ₹ 100 each	125.00	125.00
	225.00	225.00
Issued Subscribed and Paid up		
65,324,847 (Previous Year 72,633,236) Equity Shares of ₹ 10 each fully paid up	65.32	72.63
75,709 (Previous Year 11,034,987) 2.5% Cumulative Redeemable Preference Shares of ₹ 100 each fully paid up	0.76	110.35
1,415,000 (Previous Year Nil) 20% Cumulative Redeemable Preference Shares of ₹ 100 each fully paid up	14.15	-
TOTAL	80.23	182.98

2.1 Terms/rights attached to Equity Shares

The holders of equity shares of ₹ 10 each are entitled to one vote per share. The equity shareholders are entitled to dividend only if dividend in a particular financial year is recommended by the Board of Directors and approved by the member at the annual general meeting of the year. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive out of the remaining assets of the company, after distribution of Preferential amounts. The distribution will be in proportion to the number of equity shares held by share holders.

2.2 Terms/rights attached to Cumulative Redeemable Preference Shares (CRPS)

The holder of Preference Share of the Company have a right to vote at a General Meeting of the Company only in accordance with limitations and provisions laid down in Section 87 (2) of the Companies Act, 1956. The Preference Shares shall carry dividend at the rate of 2.5 % and 20% per annum payable annually. The preference share holders will be entitled to receive out of the remaining assets of the company after distribution to lenders. 75,709, 2.5% CRPS are redeemable at par as : 36,509 shares on 30.09.2020, 17,837 shares on 30.09.2019 and 21,363 shares on 30.09.2018. 14,15,000, 20% CRPS are redeemable at a premium of ₹ 700 per share as : 3,15,000 shares on 30.09.2020, 7,70,000 shares on 30.09.2019 and 3,30,000 shares on 30.09.2018.

2.3i) Reconciliation of number of Equity Shares outstanding at the beginning and at the end of year:

Particulars	2013-14		2012-13	
	In Nos.	₹ in Crores	In Nos.	₹ in Crores
Shares outstanding at the beginning of the year	7,26,33,236	72.63	7,20,19,123	72.02
Add:- Shares Issued On exercise of option by ESOS holders during the year	1,91,611	0.19	6,14,113	0.61
Less:- Shares bought back and extinguished during the year (Refer Note No.2.4)	75,00,000	7.50	--	--
Shares outstanding at the end of the year	<u>6,53,24,847</u>	<u>65.32</u>	<u>7,26,33,236</u>	<u>72.63</u>

ii) Reconciliation of number of 2.5% Cumulative Redeemable Preference Shares outstanding at the beginning and at the end of year:

Particulars	2013-14		2012-13	
	In Nos.	₹ in Crores	In Nos.	₹ in Crores
Shares outstanding at the beginning of the year	1,10,34,987	110.35	88,39,200	88.39
Add:- Shares Issued On conversion of debt to a lender (Refer Note No.2.5)	3,60,722	3.61	21,95,787	21.96
Less:- Shares redeemed during the year (Refer Note No.2.6)	1,13,20,000	113.20	--	--
Shares outstanding at the end of the year	<u>75,709</u>	<u>0.76</u>	<u>1,10,34,987</u>	<u>110.35</u>

iii) Reconciliation of number of 20 % Cumulative Redeemable Preference Shares outstanding at the beginning and at the end of year:

Particulars	2013-14		2012-13	
	In Nos.	₹ in Crores	In Nos.	₹ in Crores
Shares outstanding at the beginning of the year	--	--	--	--
Add:- Shares Issued during the year (Refer Note No.2.6)	14,15,000	14.15	--	--
Shares outstanding at the end of the year	<u>14,15,000</u>	<u>14.15</u>	<u>--</u>	<u>--</u>

2.4 Pursuant to the approval of the Board of Directors under Section 77A of the Companies Act, 1956, during the year the Company bought back and extinguished 75,00,000 equity shares of ₹ 10 each at an aggregate consideration of ₹ 73.23 Crores from open market by utilizing the Security Premium Account of ₹ 65.73 Crores. The offer got closed on 27th September, 2013. In terms of Section 77AA of the Companies Act, 1956, ₹ 7.50 Crores being the amount equal to nominal value of share so bought back and extinguished has been transferred from General Reserve to Capital Redemption Reserve.

2.5 The Company has allotted 3,60,722 (Previous Year 21,95,787) 2.5% Cumulative Redeemable Preference Shares (CRPS) of ₹ 100 each fully paid up aggregating to ₹ 3.61 Crores (Previous Year ₹ 21.96 Crores) to Bank of India in pursuant to line of credit approved by the bank to fund derivative losses.

2.6 Pursuant to the approval of the preference and equity shareholders of the Company under section 80, 94 and other applicable provisions of the Companies Act, 1956, the Company has redeemed 1,13,20,000 - 2.5% Cumulative Redeemable Preference Shares of ₹ 100 each at par in exchange for 14,15,000 20% Cumulative Redeemable Preference Shares of ₹ 100 each at a premium of ₹ 700 per share.

2.7 Options outstanding 1,74,036 (Previous year 3,80,201) Equity shares to ESOS holders as on 31st March, 2014 (Refer Note No. 24.2).

2.8 The details of shareholder holding more than 5% shares :

Name of Equity Shareholders	As at 31st March, 2014		As at 31st March, 2013	
	No of Shares	Percentage	No of Shares	Percentage
Bhagirath Arya	2,72,11,175	41.66%	2,40,63,607	33.13%
Vaidic Resources Private Limited	39,06,304	5.98%	39,06,304	5.38%
Chinar Arya	43,00,000	6.58%	43,00,000	5.92%
Cresta Fund Ltd	39,00,000	5.97%	NA*	NA*

* below 5%, hence not disclosed.

Name of Preference Shareholder of 2.5% CRPS	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	Percentage	No. of Shares	Percentage
Bank of India	75,709	100%	1,10,34,987	100%

Name of Preference Shareholder of 20 % CRPS	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	Percentage	No. of Shares	Percentage
Bank of India	14,15,000	100%	--	--

2.9 Redemption premium on 20% CRPS will be paid out of the Securities Premium Account, hence no provision has been considered necessary.

3 RESERVES AND SURPLUS

(₹ in Crores)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
Capital Reserve				
As per Last Balance Sheet		10.62		10.62
Capital Redemption Reserve				
Add: Transferred from General Reserve		7.50		—
Capital Reserves on Consolidation		0.39		0.35
Securities Premium Account				
As per Last Balance Sheet	406.93		401.54	
Add: Received on issue of Equity Shares	1.70		5.39	
Received on issue of Preference Shares	99.05		—	
	<u>507.68</u>		<u>406.93</u>	
Less: Utilised for Buy Back of Equity Shares *	65.73	441.95	—	406.93
Debenture Redemption Reserve				
As per Last Balance Sheet	7.69		7.08	
Add: Transferred from Surplus	—		0.61	
	<u>7.69</u>		<u>7.69</u>	
Less: Transferred to Surplus	3.17	4.52	—	7.69
General Reserves				
As per last Balance Sheet	72.60		67.40	
Add: Transferred from Surplus	1.15		5.20	
	<u>73.75</u>		<u>72.60</u>	
Less: Transferred to Capital redemption Reserve	7.50	66.25	—	72.60
Legal Reserve				
As per last Balance Sheet	87.92		76.40	
Add: Transferred from Surplus	7.52	95.44	11.52	87.92
Foreign Currency Translation Reserve				
As per last Balance Sheet	18.01		(25.62)	
Add: Effect of Foreign Exchange rate variation during the Year	91.94	109.95	43.63	18.01
Hedging Reserve				
As per last Balance Sheet	0.08		(0.44)	
Add: Change in Fair Value	0.98	1.06	0.52	0.08
Premium paid on Buy Back of Shares		(71.42)		(71.42)
Employee Stock Option Outstanding				
As per last Balance Sheet	1.47		3.81	
Less: Option lapsed during the Year	0.05		0.01	
Less: Option Exercised during the Year	0.74		2.33	
	<u>0.68</u>		<u>1.47</u>	
Less: Deferred Compensation Expenses				
As per last Balance Sheet	0.02		0.44	
Less: Amortised / lapsed during the Year	0.02		0.42	
	<u>—</u>	0.68	<u>0.02</u>	1.45
Foreign Currency Monetary Items Translation Difference Account		—		(2.01)
Surplus in Statement of Profit and Loss				
As per last Balance Sheet	1,155.10		1,070.26	
Add: Net Profit for the Year	5.68		113.46	
Amount available for Appropriations	<u>1,160.78</u>		<u>1,183.72</u>	
Appropriations				
Transfer to General Reserve	1.15		5.20	
Transfer to Legal Reserve	7.52		11.52	
Transfer (from)/ to Debenture Redemption Reserve	(3.17)		0.61	
Short / (Excess) Provision of dividend in previous year	(0.73)		0.17	
Short / (Excess) provision of dividend distribution tax	(0.12)		0.03	
Proposed Dividend on 2.5% Redeemable Preference Share (Dividend per share ₹ 2.50 p.a. Previous year ₹ 2.50 p.a.)	2.76		2.22	
Proposed Dividend on 20% Redeemable Preference Share (Dividend per share ₹ 20 p.a. Previous year ₹ NIL p.a.)	0.05		—	
Proposed Dividend on Equity Shares (Dividend per share ₹ 2.00 Previous year ₹ 1.00)	13.06		7.26	
Dividend Distribution Tax on Proposed Dividend	2.70	1,137.56	1.61	1,155.10
TOTAL		<u>1,804.50</u>		<u>1,687.32</u>

* Refer Note No. 2.4

3.1 10% of Annual net income of JBF RAK LLC is to be set aside as a legal reserve in accordance with the United Arab Emirates Commercial Companies Law.

4 LONG TERM BORROWINGS

(₹ in Crores)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
Secured Loans				
(a) Debentures				
Non Convertible Debentures				20.00
(b) Term loans				
from banks	2,907.16		1,493.98	
from Financial Institution	25.67		41.05	
from Corporate Body	45.00	2,977.83	25.00	1,560.03
(c) External Commercial Borrowings		610.69		188.67
(d) Vehicle Loans		0.91		0.33
		3,589.43		1,769.03
Unsecured Loans				
(a) Term loans				
from banks		969.27		548.31
		969.27		548.31
TOTAL		4,558.70		2,317.34

- 4.1 11.15 % Debentures [including current maturities of long term borrowings of ₹ 20.00 Crores (Previous Year ₹ 20.00 Crores) Refer Note No. 11] of ₹ 20.00 Crores (Previous Year ₹ 40.00 Crores) referred to in (a) above are secured by way of first mortgage & charge on pari passu basis on all the immovable and movable properties except current assets, present and future, situated at Silvassa, Dadra & Nagar Haveli (Union Territory) and at Sarigam, District Valsad, Gujarat.
- 4.2 Term Loans [including current maturities of long term borrowings of ₹ 70.57 Crores (Previous year ₹ 36.37 Crores) Refer Note No. 11] of ₹ 364.39 Crores (Previous Year ₹ 353.89 Crores) referred to in (b) above, which carry interest at the rate 11.00% to 12.75 %, are secured by way of first mortgage & charge on pari passu basis on all the immovable and movable properties, present and future, situated at Silvassa, Dadra & Nagar Haveli (Union Territory) and at Sarigam, District Valsad, Gujarat and are further secured by Second charge on current assets of the Company, present and future, situated at Silvassa, Dadra & Nagar Haveli (Union Territory) and at Sarigam, District Valsad, Gujarat.
- 4.3 Term Loans [including current maturities of long term borrowings of ₹ 18.75 Crores (Previous Year NIL) - Refer Note No. 11] of ₹ 125.00 Crores (Previous Year Rs .NIL) referred to in (b) above, which carry interest at the rate 11.45 % to 12.50%, Term Loan of ₹ 75.00 Crores is secured by way of second pari passu charge on the immovable properties, present and future, situated at Silvassa, Dadra & Nagar Haveli (Union Territory) and the movable properties except current assets, present and future, situated at Silvassa, Dadra & Nagar Haveli (Union Territory) and at Sarigam, District Valsad, Gujarat and are further secured by negative lien on the fixed assets situated at Sarigam, District Valsad, Gujarat and personal guarantee of one of the Directors of the Company in his personal capacity. Term Loan of ₹ 50.00 Crores (Previous year ₹ NIL) is secured by way of first mortgage & charge on pari passu basis on all the movable properties except current assets, present and future, situated at Silvassa, Dadra & Nagar Haveli (Union Territory) and at Sarigam, District Valsad, Gujarat and to be secured by way of first mortgage & charge on pari passu basis on all the immovable properties, present and future, situated at Silvassa, Dadra & Nagar Haveli (Union Territory) and at Sarigam, District Valsad, Gujarat.
- 4.4 Term Loan [including current maturities of long term borrowings of ₹ 5.00 Crores (Previous Year ₹ 3.13 Crores) - Refer Note No. 11] of ₹ 50.00 Crores (Previous Year ₹ 25.00 crores) referred to in (b) above, which carry interest at the rate 13.25 %, are secured by way of First pari passu charge on all the immovable and movable properties except current assets, present and future, situated at Silvassa, Dadra & Nagar Haveli (Union Territory) and at Sarigam, District Valsad, Gujarat.
- 4.5 The Loans for vehicle [including current maturities of long term borrowings of ₹ 0.58 Crores (Previous Year ₹ 0.31 Crores)- Refer Note No. 11] of ₹ 1.49 Crores (Previous Year ₹ 0.87 Crores) referred to in (d) above, which carry interest at the rate 8.18-8.88 % and LIBOR plus 1.4 percentage, have been secured by specific charge on the vehicles covered under the said loans.
- 4.6 Term loans [including current maturities of long term borrowings of ₹ 57.50 Crores (Previous Year ₹ 12.88 Crores) - Refer Note No.11] of ₹ 348.63 Crores (Previous Year ₹ 361.51 crores) referred to in (b) above, are secured by pledge of fixed deposits with banks of ₹ 16.41 Crores (Previous Year ₹ 15.10 Crores).
- 4.7 External Commercial Borrowings [including current maturities of long term borrowings of ₹ 71.80 Crores (Previous Year ₹ 44.80 Crores) - Refer Note No. 11] of ₹ 207.92 Crores (Previous Year ₹ 233.47 Crores) referred to in (c) above, which carry interest at the rate LIBOR plus 2.5 percentage to 5.0 percentage, are secured by way of first mortgage & charge on pari passu basis on all the immovable and movable properties except current assets, present and future, situated at Silvassa, Dadra & Nagar Haveli (Union Territory) and at Sarigam, District Valsad, Gujarat.
- 4.8 External Commercial borrowing [including current maturities of long term borrowings of ₹ Nil (Previous Year ₹ Nil) Refer Note No.11] of ₹ 474.57 Crores (Previous Year ₹ Nil) referred to in (c) above which carries interest at LIBOR plus 5% is secured by first ranking pari passu Mortgage & Charge on Immovable & movable properties, both Present & future, including bank account with IDBI and other banks, assignment of insurance policies/contracts but excluding current assets, situated at village Bajpe and Kalavar, Mangalore SEZ, Taluka Mangalore, Karnataka or elsewhere and is further secured by second ranking pari passu charge on current assets, situated at Mangalore, Corporate Guarantee by the company and pledge of 415,750,000 equity shares of JBF Petrochemicals Ltd.
- 4.9 Term Loans [including current maturities of long term borrowings of ₹ 191.04 Crores (Previous Year ₹ 164.93 Crores) Refer Note No. 11] of ₹ 1,214.50 Crores (Previous Year ₹ 933.15 Crores) referred to in (b) above, which carry interest at the rate 3 months LIBOR plus 4 percentage, 6 months LIBOR plus 5.5 percentage and EIBOR plus 3.5 percentage to 3.75 percentage, are secured by way of mortgage, notarised pledge and hypothecation over property, plant and equipment situated at Emirates of Ras Al Khaimah and assignment of all risk insurance policies.

- 4.10 Term Loans [including current maturities of long term borrowings of ₹ NIL Crores (Previous Year ₹ NIL Crores) Refer Note No.11] of ₹ 785.44 Crores (Previous Year ₹ 305.38 Crores) referred to in (b) above, which carry interest at the rate of 3 months Libor plus 2.5 percentage to 5 percentage, are secured by way of first pari passu mortgage & Charge over property, plant and machinery and Building situated at Bahrain, assignment of all risk insurance policies and are further secured by corporate guarantee of one of the subsidiary company.
- 4.11 Term Loans [Including current maturities of long term borrowings of ₹ 10.55 Crores (Previous year ₹ Nil) Refer Note No.11] of ₹ 741.95 Crores (Previous Year ₹ 35.56 Crores) referred to in (b) above, which carry interest at the rate of 3 Months Libor Plus 1.47 percentage to 4 percentage and 6% p.a., are secured by way of mortgage over plant and machinery situated at Belgium, assignment of all risk insurance policies, Corporate guarantee of one of the subsidiary company and are further secured by pledge on deposit of one of directors of subsidiary company.
- 4.12 Term Loan [including current maturities of ₹ 54.13 Crores (Previous year ₹ 49.12 Crores) Refer Note No.11] of ₹ 67.76 Crores referred in (b) above, which carry interest at the rate 3 months LIBOR plus 0.5 percentage, are secured by way of first mortgage on pari passu basis on all the immovable and movable properties except current assets, present and future, situated at Silvassa, Dadra and Nagar Haveli (Union Territory) and at Sarigam, District Valsad, Gujarat.

4.13 Terms of Repayment

i) Secured Term Loans from Banks

- a) Loan of ₹ 34.38 Crores is repayable in 11 equal quarterly installments of ₹ 3.13 Crores starting from June 2015 and ending on December 2017, Loan of ₹ 30.91 Crores is repayable in 17 equal quarterly installments of ₹ 1.82 Crores starting from April 2015 and ending on June 2019 and loan of ₹ 202.86 Crores is repayable in 14 equal quarterly installments of ₹ 14.49 Crores starting from June 2015 and ending on September 2018, Loan of ₹ 50.00 Crores is repayable in 20 equal quarterly installments of ₹ 2.50 Crores starting from April 2015 and ending on January 2020, Loan of ₹ 56.25 Crores is repayable in 12 equal quarterly installments of ₹ 4.69 Crores starting on April 2015 and ending on January 2018.
- b) Loan of ₹ 13.62 Crores is repayable in June 2015.
- c) Loan of ₹ 377.13 Crores is repayable in 18 Equal Quarterly instalments of ₹ 20.95 Crores starting from May, 2015 to ending on August, 2019.
- d) Loan of ₹ 59.86 Crores is repayable in 6 equal quarterly installments of ₹ 9.98 Crores starting from June 2015 and ending on September, 2016.
- e) Loan of ₹ 199.04 Crores is repayable in 19 equal quarterly installments of ₹ 10.48 Crores starting from April, 2015 and ending on October, 2019.
- f) Loan of ₹ 80.63 Crores is repayable in 18 equal quarterly installments of ₹ 4.48 Crores each starting from May, 2015 and ending on August 2019.
- g) Loan of ₹ 299.31 Crores is repayable in 16 equal quarterly installments of ₹ 18.71 Crores starting from May, 2015 and ending on February 2019.
- h) Loan of ₹ 453.17 Crores is repayable in 18 equal quarterly installments of ₹ 25.18 Crores starting from October 2015 and ending on January, 2020.
- i) Loan of ₹ 159.93 Crores is repayable in 24 equal quarterly installments of ₹ 6.67 Crores starting from December, 2015 and ending on September, 2021.
- j) Loan of ₹ 87.59 Crores is repayable in 24 equal quarterly installments of ₹ 3.65 Crores starting from March, 2017 and ending on December 2022.
- k) Loan of ₹ 84.75 Crores is repayable in 18 equal quarterly installments of ₹ 4.71 Crores starting from October, 2015 and ending on January 2020.
- l) Loan of ₹ 373.01 Crores is repayable in 38 equal quarterly installments of ₹ 9.82 Crores starting from June, 2015 and ending on June, 2024.
- m) Loan of ₹ 156.80 Crores is repayable in 24 equal quarterly installments of ₹ 6.53 Crores starting from November 2015 and ending on June 2022.
- n) Loan of ₹ 112.00 Crores is repayable in 24 equal quarterly installments of ₹ 4.67 Crores starting from November 2015 and ending on September 2021.
- o) Loan of ₹ 89.59 Crores is repayable in 24 equal quarterly installments of ₹ 3.73 Crores starting from October 2015 and ending on August, 2021.
- p) Loan of ₹ 7.48 Crores is repayable in April, 2015.

ii) Secured Term Loans from Financial Institution

Loan of ₹ 7.14 Crores is repayable in an annual installment of ₹ 7.14 Crores in July 2015. Loan of ₹ 18.53 Crores is repayable in 9 equal quarterly installments of ₹ 2.06 Crores starting from April 2015 and ending on April 2017.

iii) Secured Term Loans from Corporate Body

Loan of ₹ 45.00 Crores is repayable in 12 quarterly installments, first 4 installments of ₹ 1.88 Crores starting from June 2015 and ending on March 2016, next 4 installments of ₹ 4.38 Crores starting from June 2016 and ending on March 2017, and final 4 installments of ₹ 5.00 Crores starting from June 2017 and ending on March 2018.

iv) Secured External Commercial Borrowings

- a) Loan of ₹ 35.90 Crores is repayable in 6 equal quarterly installments of ₹ 5.98 Crores (USD 10,00,000) starting from May 2015 and ending on August 2016, loan of ₹ 82.27 Crores is repayable in 11 equal quarterly installments of ₹ 7.48 Crores (USD 12,50,000) starting from June 2015 and ending on December 2017 and loan of ₹ 17.95 Crores is repayable in 4 equal quarterly installments of ₹ 4.49 Crores (USD 7,50,000) starting from June 2015 and ending on March 2016.
- b) ₹ 474.57 Crores is repayable in 14 equal half yearly installments commencing from 12 months from scheduled commercial operations date as per facility agreement dated May 11, 2012.

v) Secured Vehicle Loans

Loan of ₹ 0.45 Crores is repayable in financial year 2015-16, ₹ 0.29 crores in financial year 2016-17 and balance ₹ 0.17 in financial year 2017-18.

vi) Unsecured Term Loans From Banks

- a) Loan of ₹ 88.27 Crores is repayable in 7 equal half yearly installments of ₹ 11.04 Crores starting from April 2015 and ending on April 2018 and one half yearly installment of ₹ 10.98 Crores in October 2018. The same carries interest at the rate 3.50%.
- b) Loan of ₹ 881.00 Crores is repayable in 8 equal quarterly installments of ₹ 110.12 Crores starting from April 2017 and ending on January 2019. The same carries interest at the rate 3 months LIBOR plus 5 percentage

- 4.14 Term loans from banks [including current maturities of long term borrowings of ₹ 22.08 Crores (Previous Year optionally convertible loans of ₹ 68.73 Crores)] aggregating to ₹ 110.35 Crores (Previous year ₹ 182.69 Crores) is guaranteed by one of the Directors of the company in his personal capacity.

- 4.15 Term loans as referred in (b) above taken by the foreign subsidiary companies are net of transaction cost of ₹ 21.17 Crores
- 4.16 The agreements in respect of term loans of ₹ 473.66 Crores taken by the foreign subsidiary companies contains various restrictive covenants. In the current year, above subsidiary companies has not complied with the terms of these covenants. As per requirement of International Financial Reporting Standards (IFRS), long term obligation is required to be classified as current because, at the end of period, it does not have an unconditional right to defer its settlement for at least 12 months. The above foreign subsidiary companies has refinanced above loans by a syndicated term loan facility from commercial banks in U.A.E. The financial closure was completed before the year end and accordingly long term portion of the above term loans were not classified as current liabilities, since the foreign subsidiary companies has discretion to refinance the existing loan obligations.

5 DEFERRED TAX LIABILITIES (NET)

(₹ in Crores)

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Deferred Tax Liability		
Related to fixed assets	205.58	184.82
Others	–	1.85
(b) Deferred Tax Assets		
Unabsorbed Depreciation	26.35	22.47
Disallowance under Section 43B of the Income Tax Act, 1961	1.60	1.15
Others	7.10	4.94
TOTAL	170.53	158.11

6 OTHER LONG TERM PROVISIONS

(₹ in Crores)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Government Grants	35.23	–
TOTAL	35.23	–

- 6.1 JBF Global Europe BVBA, a Subsidiary of the Company received two grants from government authorities in Belgium as ecological and education grant. The ecological grant relates to the investment in Belgium project and education grant relates to the education and training of Belgium nationals. The educational grant is amortised over a period of three years while the ecological grant is amortised over the period of useful life of factory building.

7 LONG TERM PROVISIONS

(₹ in Crores)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Provision for Employee Benefits		
Gratuity	20.63	14.84
Leave Encashment	0.35	0.08
Others		
Provision for Marked -to- Market on Derivative Contracts	19.25	12.20
TOTAL	40.23	27.12

8 SHORT TERM BORROWINGS

(₹ in Crores)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Secured Loans		
(a) Working Capital Loans		
from banks	988.92	742.63
(b) Buyer's Credit	195.41	117.59
	1,184.33	860.22
Unsecured Loans		
(c) Working Capital Loans		
from banks	153.86	172.50
(d) Buyer's Credit	–	218.22
(e) Supplier's Credit (backed by letter of Credit)	54.10	70.68
	207.96	461.40
TOTAL	1,392.29	1,321.62

- 8.1 Working Capital Loans as referred to in (a) above of ₹ 208.63 Crores (Previous year ₹ 115.74 Crores) are secured by a first charge on pari passu basis without any preference or priority over each other on all Current Assets of the company both present and future, situated at Silvassa, Dadra & Nagar Haveli (Union Territory) and at Sarigam, District Valsad, Gujarat and are also secured by way of Second charge on pari passu basis on movable and immovable properties of the company both present and future, situated at Silvassa, Dadra & Nagar Haveli (Union Territory) and at Sarigam, District Valsad, Gujarat, and ₹ 25.13 Crores (Previous Year ₹ Nil) are secured by way of subservient charge on current assets, present and future, of the company. ₹ 755.16 Crores (Previous Year ₹ 626.89 Crores) secured by hypothecation of inventory and receivables on pari passu basis situated at Emirates of Ras Al Khaimah and Bahrain.
- 8.2 Buyers Credit referred to in (b) above of ₹ 195.41 Crores, (Previous Year ₹ 79.85 Crores) are secured by a first charge on pari passu basis without any preference or priority over each other on all Current Assets of the company both present and future, situated at Silvassa, Dadra & Nagar Haveli (Union Territory) and at Sarigam, District Valsad, Gujarat and are also secured by way of Second charge on pari passu basis on movable and immovable properties of the company both present and future situated at Silvassa, Dadra & Nagar Haveli (Union Territory) and at Sarigam, District Valsad, Gujarat and ₹ NIL (Previous Year ₹ 37.74) are secured by way of subservient charge on current assets, present and future, of the company.

9 DEFERRED TAX LIABILITIES

(₹ in Crores)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Deferred Tax Liability		
Others	6.79	–
TOTAL	6.79	–

10 TRADE PAYABLES

(₹ in Crores)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Micro, Small and Medium Enterprises	2.48	2.23
Others	1,181.65	1,120.80
TOTAL	1,184.13	1,123.03

11 OTHER CURRENT LIABILITIES

(₹ in Crores)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Current Maturities of long-term Borrowings		
- Debentures	20.00	20.00
- Term Loans	372.15	253.55
- External Commercial Borrowings	71.80	101.55
- Vehicle Loans	0.58	0.41
Current Maturities of Optionally convertible loans	–	68.73
Interest accrued but not due on borrowings	30.41	20.15
Income received in advance	0.24	0.22
Unpaid dividends	1.29	1.33
Deposit from customers	0.19	0.28
Deposit against Excise Liabilities	1.30	1.30
Advance from Customers	18.61	26.52
Creditors for capital expenditure	256.91	250.49
Government Grants (Refer Note 6.1)	7.30	–
Other payables	56.70	49.49
TOTAL	837.48	794.02

11.1 Unpaid dividends does not include any amounts, due & outstanding, to be credited to Investor Education & Protection Fund.

11.2 Other payables includes Salaries, wages & bonus payable, Withholding & Other Taxes payable and Provision for Expenses.

11.3 In respect of Optionally Convertible Loan, the company had option to convert it into such number of Equity Shares of ₹ 10 each by 30th September, 2013 at a price to be determined according to SEBI Rules and Guidelines prevailing at that time. The Board of Directors at their meeting held on 21st August, 2013 decided to repay the loan and accordingly the full amount has been paid alongwith differential interest of ₹ 16.13 Crores.

12 SHORT TERM PROVISIONS

(₹ in Crores)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Provision for employee benefits		
Gratuity	1.08	1.03
Leave Encashment	10.29	7.95
Others		
Excise Duty Provision	15.62	17.63
Provision for Marked -to- Market on Derivative Contracts	25.83	14.48
Proposed Dividend on Preference Shares	2.81	2.22
Proposed Dividend on Equity Shares	13.06	7.26
Provision for Dividend Distribution Tax	2.70	1.61
Provision for Income Tax	1.11	1.56
Other Provision	0.14	0.06
TOTAL	72.64	53.80

12.1 The company has recognised liability based on substantial degree of estimation for excise duty payable on clearance of goods lying in stock as on 31st March, 2013 of ₹ 17.63 Crores as per the estimated pattern of Despatches. During the year ₹ 17.30 Crores was utilised for clearance of goods. Liability recognised under this class as at 31st March, 2014 is ₹ 15.62 Crores. Actual outflow is expected in the next financial year.

12.2 Other provision consists of commitment made to Ministry of Environment and Forests ("MOEF") for obtaining their clearances for incurring for activities pertaining to Corporate Social Responsibility by a subsidiary Company.

13 FIXED ASSETS

(₹ in Crores)

Particulars	GROSS BLOCK			DEPRECIATION					NET BLOCK	
	As At 01-04-2013	Additions/ Adjustments	Deductions/ Adjustments	As at 31-03-2014	Up to 31-03-2013	For the year	Deductions/ Adjustments	Upto 31-03-2014	As At 31-03-2014	As At 31-03-2013
Tangible Assets										
Land : Free-hold	39.34	10.14	--	49.48	--	--	--	--	49.48	39.34
Leasehold	125.89	--	--	125.89	0.12	0.02	--	0.14	125.75	125.77
Leasehold Improvements	384.44	261.99	--	646.43	65.80	33.55	--	99.35	547.08	318.64
Buildings	227.67	4.35	0.14	231.88	42.49	7.65	0.02	50.12	181.76	185.18
Plant & Machineries	3,335.80	1,129.58	2.26	4,463.12	810.23	237.76	1.29	1,046.70	3,416.42	2,525.57
Furniture & Fixtures	8.84	1.97	0.11	10.70	3.93	0.92	0.01	4.84	5.86	4.91
Office Equipments	2.03	0.12	0.08	2.07	0.53	0.11	0.02	0.62	1.45	1.50
Vehicles	14.00	6.31	2.70	17.61	3.71	2.30	0.63	5.38	12.23	10.29
Data Processing Equipments	10.89	9.22	0.09	20.02	8.03	2.34	0.06	10.31	9.71	2.86
	4,148.90	1,423.68	5.38	5,567.20	934.84	284.65	2.03	1,217.46	4,349.74	3,214.06
Intangible Assets										
Software*	4.34	0.98	0.00	5.32	1.82	0.64	0.00	2.46	2.86	2.52
Technical Know-how	16.93	11.59	--	28.52	4.13	2.49	--	6.62	21.90	12.80
	21.27	12.57	0.00	33.84	5.95	3.13	0.00	9.08	24.76	15.32
Total	4,170.17	1,436.25	5.38	5,601.04	940.79	287.78	2.03	1,226.54	4,374.50	3,229.38
Previous Year	3,508.11	678.46	16.40	4,170.17	734.12	216.73	10.06	940.79	3,229.38	
Capital work-in-progress									1,862.73	653.61

* other than internally generated

13.1 Buildings include ₹ 8,000/- (Previous Year ₹ 8,000/-) being the value of Shares of Co-operative Societies.

13.2 Additions to fixed assets & Capital work in Progress includes loss of ₹ 36.58 Crores (Previous Year ₹ 50.25 Crores) on account of foreign exchange difference during the year.

13.3 Capital work in progress includes :

i) ₹ 708.42 Crores on account of Preoperative expenses (Previous Year ₹ 252.75 Crores).

ii) ₹ 113.48 Crores on account of cost of construction material at site (Previous Year ₹ 1.17 Crores)

13.4 Additions to Gross block includes gain of ₹ 189.44 Crores (Previous year gain of ₹ 117.92 Crores) and Depreciation includes loss of ₹ 34.66 Crores (Previous year loss of ₹ 16.32 Crores) on account of translation of Fixed Assets & Depreciation to date respectively of Foreign subsidiaries, the effect of which is considered in Foreign Currency translation reserve.

13.5 Depreciation for the year of ₹ 8.07 Crores (Previous Year ₹ 0.17 Crores) considered as pre-operative expenses.

13.6 The Leasehold improvements represents the cost of buildings related to plant & premises which are constructed on leasehold land situated at Emirates of Ras Al Khaimah. The land on which the production facility is located has been obtained on a 25 years operating lease from Ras Al Khaimah Investment Authority (RAKIA).

13.7 Details of the Preoperative Expenditure :

Particulars	(₹ in Crores)	
	As at 31st March, 2014	As at 31st March, 2013
EXPENDITURE :		
Salary, Wages & Allowances	38.31	6.20
Gratuity	0.91	0.21
Rates & Taxes	0.03	-
Employees Welfare & Other Amenities	7.54	0.05
Contribution to Provident Fund ESIC and Other Funds (₹ 3,259/-)	0.00	-
Interest expenses	50.72	6.69
Other borrowings costs	8.99	26.07
Depreciation	8.07	0.17
Power & Fuel	0.29	0.70
Security Charges	3.05	0.12
Other Manufacturing Expenses	1.16	0.89
Freight & Forwarding charges	-	0.14
Rent	10.40	3.66
Insurance	9.22	46.14
Repairs & Maintenance Others (₹ 5,193/-, Previous Year ₹ 4,097/-)	0.00	0.00
Travelling & Conveyance	3.90	1.74
Legal, technical & professional Fees	290.53	90.04
Net Loss on Foreign Currency transaction	11.12	0.30
General Expenses	5.82	1.46
Construction Material & Civil Work	120.51	45.21
	570.57	229.79
INCOME :		
Interest Income	18.17	-
Net Pre Operative Expenditure for the Year	552.40	229.79
Add : Pre Operative Expenditure upto Previous Year	252.75	36.00
	805.15	265.79
Less : Allocated to fixed assets during the Year	96.73	13.04
Closing Balance	708.42	252.75

13.8 In accordance with the Accounting Standard (As -28) on " Impairment of Assets" As notified by Companies (Accounting Standards) Rules 2006, the management during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash generating unit in accordance with the said Accounting Standard . On the basis of this review carried out by the management, there was no impairment loss on Fixed Assets during the year ended 31st March, 2014.

14 LONG TERM LOANS AND ADVANCES

Particulars	(₹ in Crores)	
	As at 31st March, 2014	As at 31st March, 2013
Secured, considered good		
Inter-corporate Deposits	-	5.00
Unsecured, Considered good unless otherwise stated		
Capital Advances	587.38	406.04
Security Deposits	4.05	3.26
Income Tax-Advance Tax & TDS (Net)	35.56	26.25
MAT Credit Entitlement	31.74	24.54
Others		
Considered Good	3.68	5.30
Considered doubtful	0.08	0.08
	3.76	5.38
Less: Provision for doubtful advances	0.08	0.08
TOTAL	662.41	470.39

14.1 Others includes mainly Unamortised Ancillary Borrowing Cost and Interest Receivable.

14.2 Presently the company is liable to pay MAT under section 115JB of the Income Tax Act, 1961 (The Act) and the amount paid as MAT is allowed to be carried forward for being set off against the future tax liabilities computed in accordance with the provisions of the Act, other than Section 115JB, in next Ten years. Based on the future projection of the performances, the Company will be liable to pay the income tax computed as per provisions, other than under section 115JB, of the Act. Accordingly as advised in Guidance note on "Accounting for Credit available in respect of Minimum Alternate Tax under the Income Tax Act 1961" issued by the Institute of Chartered Accountants of India, ₹ 7.22 Crores (Previous year ₹ 19.33 Crores) being the excess of tax payable u/s 115JB of the Act over tax payable as per the provisions other than section 115JB of the Act has been considered as MAT credit entitlement and credited to statement of profit and loss.

15 Other Non -Current Assets

(₹ in Crores)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
Unsecured, Considered good				
Fixed Deposit Account with Bank		0.56		-
TOTAL		0.56		-

15.1 Represents a deposit held in a commercial bank in the Kingdom of Bahrain and maturing in July 2023. The fixed deposits are held under lien as a security for the purchase of natural gas from the Bahrain Petroleum Company B.S.C.

16 INVENTORIES

(₹ in Crores)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
Raw Materials				
Goods-in transit	392.75		329.92	
Others	170.86	563.61	206.61	536.53
Stock-in-process		41.28		47.38
Finished goods				
Goods-in transit	49.69		21.04	
Others	295.15	344.84	241.23	262.27
Stores, Spares and Consumables				
Goods-in transit	0.70		0.09	
Others	93.53	94.23	76.80	76.89
TOTAL		1,043.96		923.07

17 TRADE RECEIVABLES

(₹ in Crores)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
Unsecured, Considered Good				
Due for a period exceeding Six months	152.37		146.11	
Others	1,022.27		906.66	
	1,174.64		1,052.77	
Less : Provision for doubtful debts	23.99	1,150.65	17.95	1,034.82
TOTAL		1,150.65		1,034.82

17.1 Debts due for a period exceeding six months includes ₹ 36.97 Crores (Previous Year ₹ 41.48 Crores), which are overdue as against which the Company has initiated legal proceedings. The Company is of the view that a substantial part of this amount is recoverable. As a matter of prudence and based on the best estimate a provision of ₹ 15.25 Crores (Previous Year ₹ 10.00 Crores) has been made and which has been considered sufficient.

18 CASH AND BANK BALANCES

(₹ in Crores)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
Cash & Cash Equivalents				
Balance with banks in Current Accounts	126.13		178.94	
Cash on hand	0.31	126.44	0.20	179.14
Other Bank Balances				
In Fixed Deposit Account with Banks having 3-12 Months maturities	31.58		52.75	
more than 12 Months maturities	-		114.29	
Deposit earmark against Borrowings	327.73		249.25	
Earmark balance with banks (Unpaid Dividend Account)	1.29	360.60	1.33	417.62
TOTAL		487.04		596.76

19 SHORT TERM LOANS AND ADVANCES

(₹ in Crores)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Secured, considered good		
Inter-corporate Deposits	55.00	50.00
Unsecured, Considered good		
Loans and Advances to related parties (Refer Note No.31)	68.82	44.83
Others:		
Inter-corporate Deposits	6.00	19.00
Claims and refund receivable	10.77	27.85
Balance with Excise Authorities	7.67	10.10
Advance to suppliers	200.96	259.95
Loans to Employee Welfare Foundation	--	68.59
Others	127.57	103.79
TOTAL	476.79	584.11

19.1 Unsecured inter-corporate Deposits includes ₹ 5.00 Crores (Previous year ₹ 8.00 Crores) backed by personal guarantee of a promoter of a borrower.

19.2 Secured Inter Corporate Deposits (ICD) Includes:-

- (i) Loan of ₹ 9.00 Crores given in earlier years to TVC Sky Shop Limited (TVC) against the pledge of 25,00,000 equity shares of ₹ 10 each representing 25.73% of the paid up equity share capital of TVC and
- (ii) Loan of ₹ 11.00 Crores given in earlier years to Suryachakra Power Corporation Limited (SPCL) against the pledge of 24,31,434 equity shares of ₹ 10.00 each representing 1.62% of the paid up equity share capital of SPCL.

As TVC and SPCL failed to meet its commitments for repayment, the Company invoked the pledge and got transferred above mentioned equity shares in its own Demat account. As the Company does not intends to hold these shares as investment to acquire control of TVC and SPCL but as a security till the above loans are repaid, it continue to disclose the above loans as ICD instead of investments. Further TVC has not been considered as an associate within the meaning of Accounting Standards 23 (AS 23) "Accounting for investment in associates in Consolidated Financial Statements" as notified in the Companies (Accounting Standards) Rules 2006.

19.3 Advance to Supplier includes ₹ NIL (Previous Year ₹ 0.62 Crores) due from a related party.

19.4 Others includes Interest Receivable, Prepaid Expenses, Cenvat Receivables, Refundable Deposits and Government grants.

20 OTHER CURRENT ASSETS

(₹ in Crores)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Export Incentive Receivable	16.04	25.41
Receivable against sale of fixed asset	--	1.00
Assets held for disposal (₹ 17,200/-)	0.00	--
TOTAL	16.04	26.41

21 GROSS REVENUE FROM OPERATION

(₹ in Crores)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Sale of products	9,018.15	7,889.10
Export Incentives	24.56	38.30
Other operating revenues	8.13	6.15
TOTAL	9,050.84	7,933.55

22 OTHER INCOME

(₹ in Crores)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest Income from -Long term investment	0.22	0.20
- Inter Corporate Deposits	14.68	27.16
- Fixed Deposits	6.28	11.36
- Others	7.28	3.38
Dividend Income from current investments	0.54	1.09
Reversal of provision for Diminution in value of Current Investment	0.01	--
Profit on sale of Current investments (Net)	4.65	1.78
Sundry Credit Balances Written Back (Net)	1.51	0.45
Government Grants	0.16	--
Miscellaneous income	5.69	0.09
TOTAL	41.02	45.51

23 CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK -IN- PROCESS

(₹ in Crores)

Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
At the end of the Year				
Finished Goods	344.84		262.27	
Stock-in- process	41.28	386.12	47.38	309.65
At the beginning of the Year				
Finished Goods	262.27		322.48	
Stock-in- process	47.38	309.65	48.68	371.16
TOTAL		(76.47)		61.51

24 EMPLOYEE BENEFITS EXPENSE

(₹ in Crores)

Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
Salaries, Wages and Allowances		142.68		119.75
Contribution to Provident Fund, ESIC and other Funds		2.77		2.57
Gratuity		5.15		4.76
Employees Stock Option Cost		(0.03)		0.41
Employees Welfare and Other Amenities		11.35		8.26
TOTAL		161.92		135.75

24.1 The Shareholders at its meeting held on 28th September 2013, approved the waiver of recovery of excess remuneration of ₹ 3.37 Crores paid to Executive Chairman of the Company for the financial year 2011-12, in excess of the limits prescribed in terms of Schedule XIII of the Companies Act 1956 and accordingly Company has applied for Central Government Approval and the approval is still awaited. Further, Shareholders have also approved waiver of recovery of excess remuneration, exceeding limits prescribed under the Companies Act 1956, payable in any subsequent years. During the year Company paid an amount of ₹ 5.05 Crores to the Executive Chairman which was in excess of the remuneration as prescribed in the section 309 of the Companies Act, 1956 by ₹ 2.38 Crores. Steps are being taken to obtain Central Government Approval in this regard.

24.2 Employee Stock Option Scheme

- The Employee Stock Option Scheme, 2009 (JBF ESOS 2009) was introduced and implemented during the year 2009-10 as approved by the shareholders at the Annual General Meeting held on 25th September, 2009. The equity shares reserved for issuance to eligible employee of the company as at 31st March, 2014 is 2,70,855 (Previous Year 2,56,301) Equity Shares of ₹ 10 each.
- On 25th September, 2009 the Company has granted 21,54,000 Options convertible into Equity Shares of ₹ 10 each to 298 employees. The Exercise Price of the Options was fixed at ₹ 60 each for conversion in to one Equity Share of the Company. Out of above Options 14,554 (Previous Year 4,573) Options have been Lapsed during the year 2013-14.
- The above Options vest over a period ranging from one to three years as follows.

Period of Vesting From Date of Grant	Percentage to Grant
At the end of Twelve Months	33.33
At the end of Twenty Four Months	33.33
At the end of Thirty Six Months	33.33

- All the Options granted till date have an exercise period of Twenty Four months from the date of their vesting.
- The Company applies intrinsic- value method of accounting for determining Employee Compensation Expenses for its ESOS. Had the Employee Compensation Expenses been determined using the fair value approach, the Company's Net Profit and basic and diluted earnings per share as reported would have reduced as indicated below:

(₹ in Crores)

Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
Net Profit / (Loss) after tax before extraordinary items (Net of Tax)		(13.06)		113.48
Add:- Extraordinary Item (Net of Tax)		18.77		-
Net profit After extraordinary items		5.71		113.48
Prior Period adjustments		0.03		0.02
Proposed Dividend on Preference Shares and tax thereon		3.29		2.60
Net Profit as Reported		2.39		110.86
Less : Employee Compensation Expenses		(0.04)		0.16
Adjusted Proforma		2.43		110.70

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Basic Earnings Per Share (₹) (Before Extraordinary items)		
- As reported	(2.38)	15.33
- Proforma	(2.38)	15.31
Diluted Earnings Per Share (₹) (Before Extraordinary items)		
- As reported	(2.38)	15.24
- Proforma	(2.38)	15.22
Basic Earnings Per Share (₹) (After Extraordinary items)		
- As reported	0.35	15.33
- Proforma	0.35	15.31
Diluted Earnings Per Share (₹) (After Extraordinary items)		
- As reported	0.35	15.24
- Proforma	0.35	15.22

vii. The Following Summaries the Company's Stock Option activity for ESOS:

Particulars	As at 31st March, 2014 (No. of Shares)	Year ended 31st March, 2013 (No. of Shares)
i. Outstanding at the beginning of the year	3,80,201	9,98,887
ii. Granted during the year	–	–
iii. Lapsed during the year	14,554	4,573
iv. Exercised during the year	1,91,611	6,14,113
v. Expired During the year	–	–
vi. Outstanding at the end of the year	–	–
vii. Exercisable at the end of the year	1,74,036	3,80,201
viii. Weighted average Intrinsic value of Options granted during the year	Nil	Nil

25 FINANCE COSTS

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest Expense	278.58	176.27
Other Borrowing Cost	41.17	59.05
Applicable Net loss on foreign currency transaction and translation	24.87	16.82
TOTAL	344.62	252.14

(₹ in Crores)

26 OTHER EXPENSES

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Manufacturing Expenses		
Stores & Spares Consumed	38.26	32.69
Power & Fuel	461.45	392.53
Repairs to Building	0.75	0.42
Repairs to Plant & Machinery	7.77	7.66
Security Charges	2.10	2.07
Excise Duty	(1.99)	0.77
Labour Charges	12.48	11.85
Other Manufacturing Expenses	26.90	22.87
	547.72	470.86
Selling and Distribution Expenses		
Packing Material Consumed	141.56	138.61
Freight & Forwarding Charges (Net)	192.90	192.23
Sales Promotion, & Advertising Expenses	11.24	9.47
Brokerage & Commission	25.85	25.02
	371.55	365.33

(₹ in Crores)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Administrative and General Expenses		
Rent	11.75	9.34
Rates & Taxes (Net)	0.98	1.06
Insurance	20.97	14.39
Payment to Auditors'	1.81	1.18
Repairs & Maintenance - Others	3.16	1.98
Travelling & Conveyance Expenses	14.99	11.25
Legal, Professional & Consultancy Charges	9.59	18.97
Provision for Dimunation in the value of Investment	–	0.05
Bad debts Written off	4.75	–
Provision for Doubtful Debts	5.25	10.00
Donation	0.40	0.14
Share Buy Back Expenses	0.30	–
Net Loss on Foreign Currency transaction	110.25	69.43
Currency & Interest rate Swap Loss (Net)	15.12	63.42
Loss on sale of Fixed Assets (Net)	1.54	2.79
Bank Charges	1.75	2.38
General Expenses	12.49	15.02
	<u>215.10</u>	<u>221.40</u>
TOTAL	<u>1,134.37</u>	<u>1,057.59</u>

26.1 Payment to Auditors'

(₹ in Crores)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
a) Audit Fees	1.65	1.01
Tax Audit Fees	0.08	0.08
Certification Charges	0.03	0.02
Reimbursement of expenses	0.04	0.06
b) Cost Audit Fees	0.01	0.01
	<u>1.81</u>	<u>1.18</u>
TOTAL	<u>1.81</u>	<u>1.18</u>

26.2 General Expenses includes Directors sitting Fees ₹ 0.09 Crores (Previous Year ₹ 0.08 Crores)

27 In earlier years the Company had provided loans to the JBF Employees Welfare Trust ("the Trust") to purchase its Equity Shares from the open market. To be in compliant with the Amendments to SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 vide SEBI Circular dated January 17, 2013, the Trust disposed off all the securities held by it and remitted the proceeds to the Company towards settlement of outstanding loans. As the Trust has no further assets/securities, the balance amount of ₹ 36.71 Crores recoverable from the Trust has been written off during the year and shown as exceptional items in the financial statements.

28 In the Consolidated Financial Statements of JBF RAK LLC one of the subsidiary companies, certain expenses aggregating to ₹ 18.77 Crores charged to the Statement of Profit & Loss. During the year that subsidiary company has restated its Consolidated Financial Statements for the year ended 31st March 2013 by capitalizing the above expenses as rectification of an error. Accordingly the reversal of above mention expenses of previous year has been disclosed as an extraordinary items in the statement of profit and loss.

29 EARNINGS PER SHARE (BASIC & DILUTED)

(₹ in Crores)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Net Profit / (Loss) after tax before extraordinary items (Net of Tax)	(13.06)	113.48
Add:- Extraordinary Item (Net of Tax)	18.77	–
Net profit After extraordinary items	5.71	–
Prior period adjustment	0.03	0.02
Proposed Dividend on preference Shares and tax thereon	3.29	2.60
Net profit after Extraordinary Items attributable to Equity Share holders	2.39	110.86
Weighted average no. of equity shares outstanding for Basic EPS	6,88,06,865	7,23,15,105

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Basic Earning Per Share of ₹ 10 Each (₹)		
Before Extraordinary items	(2.38)	15.33
After Extraordinary items	0.35	15.33
Net profit after tax attributable to Equity Share holders for Basic EPS	2.39	110.86
Weighted average no. of equity shares outstanding for Diluted EPS	6,88,72,462	7,27,37,155
Diluted Earning Per Share of ₹ 10 Each (₹)		
Before Extraordinary items	(2.38)	15.24
After Extraordinary items	0.35	15.24
Reconciliation between number of shares used for calculating basic and diluted earning per share		
	Year ended 31st March, 2014	Year ended 31st March, 2013
Number of Shares Used for calculating Basic EPS	6,88,06,865	7,23,15,105
Add:- Potential Equity Shares (JBF ESOS-2009)	65,597	4,22,050
Number of Shares used for Calculating Diluted EPS	6,88,72,462	7,27,37,155

30 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ in Crores)

Particulars	As at 31st March, 2014	Year ended 31st March, 2013
(i) Contingent Liabilities		
(a) Demands not acknowledged as debt		
i) Income Tax (₹ 8.60 Crores Paid under Protest. No cash outflow is expected.)	8.60	0.29
ii) Excise Duty (₹ 1.11 Crores Paid under Protest. No cash outflow is expected.)	1.76	1.76
iii) Service tax	–	1.44
iv) Others	1.37	0.09
(b) Guarantees issued by the Bankers	232.68	261.03
(Bank guarantees are provided under contractual/legal obligation. No cash outflow is expected.)		
(c) Letter of Credit	326.64	381.81
(These are established in favour of vendors but cargo/material under the aforesaid Letter of Credit are yet to be received as on end of the year. Cash outflow is expected on the basis of payment terms as mentioned in Letter of Credit.)		
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	2,514.25	2,724.52
(Cash outflow is expected on execution of such capital contracts, on progressive basis)		
(b) Other Commitments		
i) Corporate Social Responsibility over the project life	176.99	176.95
ii) Future minimum lease payments:		
With in One Year	7.90	5.77
After One year but not more than five years	31.07	20.38
More than five years	116.38	88.67
Total operating lease expenditure contracted for at the reporting date	155.35	114.82

31 RELATED PARTY TRANSACTION

As per the Accounting standard -18, As notified by Companies (Accounting Standards) Rules 2006, the disclosure of transactions with related parties as defined in the Accounting Standard are given below :

I. Key Managerial Personnel :

Mr. B.C. Arya
Mr. R.Gothi
Mr. P.N.Thakore
Mr. N.K.Shah
Mr. Cheerag Arya
Mr. Alke G Pai

II. Relatives of Key Managerial Personnel :

Mrs. Veena Arya Relative of Shri B.C. Arya
Ms.Chinar Arya Relative of Shri B.C. Arya
Mrs. Usha Thakore Relative of Shri P. N. Thakore
Mr. Abhishek R. Gothi Relative of Shri R. Gothi
Mr. Abhishek P. Thakore Relative of Shri P. N. Thakore
Mrs. A Tara Pai Relative of Mr. Alke G Pai

III. Enterprises over which the Key Managerial personnel & their relatives have significant influence

Arya Industries
Vaidic Resources Pvt. Ltd.
JBF Global FZE
Arya Texturisers & Twisters

Transactions with related parties during the year

(₹ in Crores)

Sr No.	Particulars	Key Managerial Personnel		Relatives of key Managerial Personnel		Enterprises over which the key Managerial personnel has Significant Influence		Total	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1	Short term Loans and Advances								
	a) Opening Balance	24.98	26.48	--	--	20.47	20.36	45.45	46.84
	b) Given / Adjusted during the year	21.96	--	--	--	2.03	10.08	23.99	10.08
	c) Refunded/ Adjusted during the year	--	1.50	--	--	0.62	9.97	0.62	11.47
	d) Balance as at 31.03.2014	46.94	24.98	--	--	21.88	20.47	68.82	45.45
2	Trade Payable as at 31st March, 2014	0.48	--	--	--	0.48	0.16	0.96	0.16
3	Dividend Paid	2.84	18.30	0.43	3.46	0.39	3.13	3.66	24.89
4	Expenditure								
	Purchases	--	--	--	--	4.79	46.12	4.79	46.12
	Managerial remuneration/ Sitting Fees	25.55	25.30	0.53	0.68	--	--	26.08	25.98
	Rent	--	--	0.06	0.06	--	--	0.06	0.06
5	Equity Shares allotted on exercise of ESOS	0.07	0.32	--	--	--	--	0.07	0.32

Notes to Related Party Transactions:

- Short term Loans and Advances includes ₹ 46.94 Crores due from Mr. Cheerag Arya and ₹ 21.88 Crores due from JBF Global FZE.
- Trade Payables includes 0.48 Crores due to Arya Industries.
- Dividend paid includes ₹ 2.64 Crores, ₹ 0.43 Crores, ₹ 0.19 Crores & ₹ 0.39 Crores to Mr. B C Arya, Ms.Chinar Arya, Mr. Cheerag Arya & Vaidic Resources Pvt. Ltd. respectively.
- Expenditures: Purchases include ₹ 4.79 Crores from Arya Industries. Managerial Remuneration include ₹ 5.05 Crores and ₹ 18.19 Crores paid to Mr. B C Arya & Mr.Cheerag Arya respectively. Rent includes ₹ 0.06 Crores paid to Mrs. A Tara Pai.
- Equity Shares allotted on exercise of ESOS includes ₹ 0.03 Crores & ₹ 0.04 Crores to Mr. Rakesh Gothi and Mr N.K. Shah respectively.

32 Segment Information as per Accounting Standard -17 on Segment Reporting for the year ended 31st March, 2014.

i) Information about primary (Geographical) segment :

(₹ in Crores)

Particulars	Domestic		International		Total Consolidated	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1 Segment Revenue						
Net Revenue from Operations	4,784.71	4,504.09	3,913.58	3,014.93	8,698.29	7,519.02
Other Income	39.54	44.26	1.48	2.17	41.02	46.43
Total Income	4,824.25	4,548.35	3,915.06	3,017.10	8,739.31	7,565.45
Less : Inter Segment Revenue	120.39	64.12	10.17	--	130.56	64.12
	4,703.86	4,484.23	3,904.89	3,017.10	8,608.75	7,501.33
2 Results						
Segment Results	174.79	212.16	189.81	190.52	364.60	402.68
Finance Costs	167.87	155.79	176.75	96.35	344.62	252.14
Profit Before Tax	6.92	56.37	13.06	94.17	19.98	150.54
Tax Expenses	14.35	37.06	(0.08)	--	14.27	37.06
Profit After Tax	(7.43)	19.31	13.14	94.17	5.71	113.48
3 Other Information						
Total Segment Assets	4,274.66	3,698.75	5,908.09	3,966.59	10,182.75	7,665.34
Total Segment Liabilities	2,931.25	2,635.95	5,366.77	3,159.09	8,298.02	5,795.04
Capital Expenditure	797.47	542.63	1,839.79	814.13	2,637.26	1,356.76
Depreciation	112.22	100.66	132.83	99.58	245.05	200.24
Non - Cash Expenditure other than Depreciation	5.25	10.00	--	--	5.25	10.00

a) Segments have been identified and reported taking into account, the differing risks and returns, the organization structure and the internal reporting system. These are organized into two main segment based on geographic :

Domestic : Operations within India

International : Operations outside India

b) Segment revenue, assets and liabilities include the respective amount identifiable to each of the segments.

(₹ in Crores)

	2013-14	2012-13
1. Segment Revenue		
a) Polyester Film	1,009.17	975.54
b) Other Polyester Products	7,565.27	6,490.63
c) other	2.48	--
d) Unallocable	31.83	35.16
Total	8,608.75	7,501.33
2. Segment Assets		
a) Polyester Film	3,226.00	1,862.61
b) Other Polyester Products	5,020.81	4,714.91
c) Pure Terephthalic Acid	1,349.76	670.98
d) other	179.32	--
e) Unallocable	406.86	416.84
Total	10,182.75	7,665.34
3. Total Capital Expenditure		
a) Polyester Film	808.31	465.26
b) Other Polyester Products	1,146.82	557.74
c) Pure Terephthalic Acid	666.60	333.73
d) Unallocable	15.53	0.03
Total	2,637.26	1,356.76

33 FINANCIAL AND DERIVATIVE INSTRUMENTS

33.1 Derivative Contracts entered into by the Company and outstanding as on 31st March, 2014.

(₹ in Crores)

Particulars	As at 31st March, 2014	As at 31st March, 2013
i) Currency and Interest rate Swap	92.50	125.92
ii) Forward contracts - Receivable	158.06	156.32
iii) Forward contracts - Payable	213.31	28.15
iv) Options	26.47	–
v) The Company has entered interest rate swap derivatives contracts in respect of External Commercial Borrowings of ₹ 112.19 Crores outstanding as on 31st March, 2014. Subsidiaries of the Company has also entered interest rate swap derivative contract of ₹ 988.75 Crores.		

33.2 All Derivative and financial instruments acquired by the company are for hedging purpose only.

33.3 Foreign Currency exposures (except currency swap) that are not hedged by derivative instruments as on 31st March, 2014 relating to :

(₹ in Crores)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Receivables	586.57	289.37
Payables	3125.15	1682.86

33.4 The Expenses on account of forward premium on outstanding forward exchange contracts to be recognised in the Statement of Profit and Loss of subsequent accounting year aggregate to ₹ 2.19 Crores (Previous Year ₹ 0.36 Crores).

34 Previous year's figures have been regrouped, rearrange and reclassified wherever necessary to make them comparable with the current year's classification/disclosure.

As per our report of even date

For CHATURVEDI & SHAH
Chartered Accountants

R. KORIA
Partner

Place : Mumbai
Date : 27th May, 2014

For & on behalf of the Board of Directors

B.C.ARYA
Chairman

P. N. THAKORE
Director- Finance

RAKESH GOTHI
Managing Director

UJJWALA APTE
Company Secretary

B R GUPTA
Director

Financial Information of Subsidiary Companies

(₹ in Crores)

Sr. No.	Name of the Subsidiary Company	Country	Reporting Currency	Exchange rate as on 31.03.2014	Capital	Reserves	Total Assets	Total Liabilities	Investments- Other than in Subsidiary	Turnover/ Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
1	JBF Global Pte. Ltd.	Singapore	INR	59.8302	430.78	(58.26)	1,521.36	1,521.36	--	-	(57.41)	--	(57.41)	--
			USD MN		72.00	(9.74)	254.28	254.28	--	0.00	(9.49)	--	(9.49)	--
2	JBF RAK LLC	UAE	INR	16.2892	386.31	1,219.20	4,256.95	4,256.95	--	3,924.25	75.54	--	75.54	--
			AED MN		237.16	748.47	2,613.36	2,613.36	--	2,381.50	45.84	--	45.84	--
3	JBF Petrochemicals Limited	India	INR	--	809.27	5.58	1,412.08	1,412.08	--	4.73	4.68	0.07	4.61	--
4	JBF Bio Glicols Industria Quimica Ltda.	Brazil	INR	26.6227	18.19	(5.06)	19.69	19.69	--	--	(2.49)	--	(2.49)	--
			BRL MN		6.83	(1.90)	7.40	7.40	--	--	(0.93)	--	(0.93)	--
5	JBF Bahrain S.PC	Bahrain	INR	159.2664	428.09	(25.02)	1,405.49	1,405.49	--	71.67	(25.79)	--	(25.79)	--
			BD MN		26.88	(1.57)	88.25	88.25	--	4.46	(1.61)	--	(1.61)	--
6	JBF Global Europe BVBA	Belgium	INR	82.7283	372.28	--	1,275.68	1,275.68	--	--	(0.08)	(0.08)	--	--
			EUR MN		45.00	--	154.20	154.20	--	--	(0.01)	(0.01)	--	--

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

(₹ in Crores)

PARTICULARS	Year Ended 31st March, 2014	Year Ended 31st March, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax as per Statement of Profit and Loss	19.98	150.54
Adjustment for :		
Depreciation and amortisation	245.05	200.24
Finance Cost	344.62	252.14
Currency & Interest rate Swap Loss (Net)	15.12	63.42
Provisions for diminution in value of Current Investments	(0.01)	0.05
Loss on sale of Fixed assets (Net)	1.54	2.79
Profit from Current/Long term Investments (Net)	(4.65)	(1.78)
Bad debts written off	4.75	—
Provision for doubtful debts	5.25	10.00
Exceptional Item	36.71	—
Extraordinary Items	(18.77)	—
Share Buy Back Expenses	0.30	—
Interest Income	(21.18)	(38.85)
Dividend Income	(0.54)	(1.09)
Employee Stock Option Cost	(0.03)	0.41
Wealth Tax	0.02	0.02
Sundry Balances written back (Net)	(1.51)	(0.45)
Net loss on Foreign currency transactions *	173.36	27.24
Operating profit before working capital changes	800.01	664.68
Adjusted for :		
Trade & Other receivables	(56.89)	(466.64)
Inventories	(120.89)	(131.24)
Trade & Other Payables	127.29	329.92
Cash generated from operations	749.52	396.72
Direct taxes paid/ TDS deducted/Refund received	(17.07)	(25.31)
Cash generated before prior year adjustments	732.45	371.41
Prior year adjustments	(0.03)	(0.02)
Net cash from operating activities (A)	732.42	371.39
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchases of fixed assets	(2,534.88)	(1,002.06)
Sale of fixed assets	2.81	7.11
Purchases of Investments	(98.82)	(240.06)
Sale/Redemption of Investments	151.90	256.67
Movements in Loans and Advances (Net)	22.91	26.46
Dividend Income	0.54	1.09
Interest received	39.93	17.45
Fixed Deposits held for more than three months- placed	(164.48)	(192.03)
Fixed Deposits held for more than three months - matured	299.94	208.86
Net cash used in investing activities (B)	(2,280.15)	(916.51)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue of share capital including Security Premium	1.15	3.67
Share Buy Back	(73.23)	—
Share Buy Back Expenses	(0.30)	—
Proceeds from long term loans	2,696.85	1,292.41
Repayment of long term loans	(596.56)	(393.10)
Short term Loans (Net)	(7.64)	158.01
Net loss on Foreign currency transactions	(58.10)	(12.18)
Finance Cost paid	(384.74)	(250.05)
Margin Money (Net)	(79.04)	(213.18)
Currency & Interest rate Swap Profit / (Loss)	6.89	29.00
Dividend paid (Including dividend distribution tax)	(10.25)	(68.00)
Net cash from financing activities (C)	1,495.03	546.58
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(52.70)	1.46
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	179.14	177.68
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	126.44	179.14

Notes : *Includes Exchange Difference on account of translation of Foreign Subsidiary Company's Financial Statements.

- The above Cash Flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS-3) on "Cash Flow Statements" as notified by the Companies (Accounting Standard) Rules, 2006.
- Figures in bracket indicates outflows.
- Non Cash transactions not considered above :-
 - Short term Loan of ₹ Nil (Previous Year ₹ 396.17 Crores) to a subsidiary company converted into Equity shares.
 - Term Loan of ₹ Nil (Previous Year ₹ 43.79 Crores) and Cumulative Redeemable Preference Shares of Rs.3.61 Crores (Previous Year ₹ 21.96 Crores) have been funded by Bank of India in respect of derivative losses.
- The figures of previous year have been reclassified, rearranged and regrouped wherever considered necessary.

As per our report of even date

For CHATURVEDI & SHAH
Chartered Accountants

R. KORIA
Partner

Place : Mumbai
Date : 27th May, 2014

For & on behalf of the Board of Directors

B.C.ARYA
Chairman

P. N. THAKORE
Director- Finance

RAKESH GOTHI
Managing Director

UJJWALA APTE
Company Secretary

B R GUPTA
Director

JBF Industries Limited

Registered Office

Survey No. 273, Village Athola, Silvassa, Dadra & Nagar Haveli.

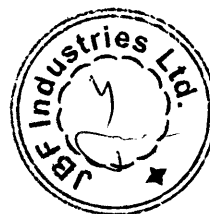
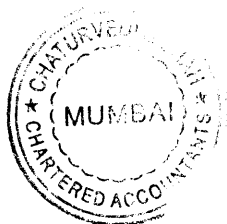
Corporate Office

8th Floor, Express Towers, Nariman Point, Mumbai - 400 021.

FORM A

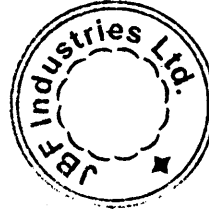
Covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	JBF Industries Limited
2.	Annual standalone financial statements for the year ended	31 st March, 2014
3.	Type of Audit observation	<p>Un-qualified</p> <p>Emphasis of Matters: Following emphasis of matters have been given in the Independent Auditors' Report on Standalone Financial Statements for the year ended 31st March 2014 (Refer Page No. 16 of March 2014 Annual Report):</p> <p>(i) We draw attention in respect of Note 16.1 on the Financial Statements, regarding trade receivables amounting to Rs. 36.97 Crores due from Customers in respect of which Company has initiated legal proceedings and a provision of Rs. 15.25 Crores has been considered sufficient against the same. (For related note refer Page No. 31 of March 2014 Annual Report)</p> <p>(ii) We draw attention in respect of Note 25.1 on the Financial Statements, regarding payment of managerial remuneration, which is subject to the approval of Central Government. (For related note refer Page No. 34 of March 2014 Annual Report)</p> <p>Our opinion is not qualified in respect of above matters.</p>



4.	Frequency of observation	<p>Observation 3 (i) above appeared second time in the financial year ended 31st March, 2014.</p> <p>Observation in 3 (ii) above appeared first time in the financial year ended 31st March, 2014</p>
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For and on behalf of Board of Directors



R. Gothi

Rakesh Gothi
(Managing Director)

P.N. Thakore

P.N. Thakore
(Chief Financial Officer)

B.R. Gupta

B.R. Gupta
(Audit Committee Chairman)

AUDITORS

Refer our Independent Auditor's Report dated 27th May, 2014 on the Standalone Financial Statements of the Company.

For Chaturvedi & Shah
Chartered Accountants
Firm Reg. No – 101720 W

R. Koria

R Koria
Partner
Membership No – 35629



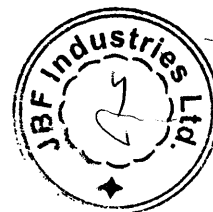
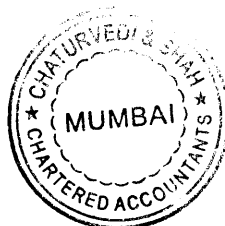
Place: Mumbai

Date: 01st September, 2014.

FORM A

Covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	JBF Industries Limited
2.	Annual consolidated financial statements for the year ended	31 st March, 2014
3.	Type of Audit observation	<p>Un-qualified</p> <p>Emphasis of Matters:</p> <p>Following emphasis of matters have been given in the Independent Auditors' Report on Consolidated Financial Statements for the year ended 31st March 2014 (Refer Page No. 43 of March 2014 Annual Report):</p> <p>(i) We draw attention in respect of Note 17.1 on the Consolidated Financial Statements, regarding trade receivables amounting to Rs. 36.97 Crores due from Customers in respect of which Company has initiated legal proceedings and a provision of Rs. 15.25 Crores has been considered sufficient against the same. (for related note refer Page No. 55 of March 2014 Annual Report)</p> <p>(ii) We draw attention in respect of Note 24.1 on the Consolidated Financial Statements, regarding payment of managerial remuneration, which is subject to the approval of Central Government. (For related note refer Page No. 57 of March 2014 Annual Report)</p> <p>Our opinion is not qualified in respect of above matters.</p>



4.	Frequency of observation	<p>Observation 3 (i) above appeared second time in the financial year ended 31st March, 2014.</p> <p>Observation in 3 (ii) above appeared first time in the financial year ended 31st March, 2014</p>
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For and on behalf of Board of Directors

R. Gothi

Rakesh Gothi
(Managing Director)

P.N. Thakore

P.N. Thakore
(Chief Financial Officer)

B.R. Gupta

B.R. Gupta
(Audit Committee Chairman)

AUDITORS

Refer our Independent Auditor's Report dated 27th May, 2014 on the Consolidated Financial Statements of the Company.

For Chaturvedi & Shah
Chartered Accountants
Firm Reg. No – 101720 W

R. Korla

R Korla
Partner
Membership No – 35629



Place: Mumbai
Date: 01st September, 2014