



JBF Industries Limited

**Annual Report
2010-2011**



JBF Industries Limited

NOTICE TO MEMBERS

Notice is hereby given that the Twenty Ninth Annual General Meeting of the members of JBF Industries Limited will be held on Monday, 26th September, 2011, at Daman Ganga Resort, Silvassa, at 12.15 p.m.

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2011 and Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint director in place of Mr. Krishen Dev, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint director in place of Mr. Sunil Diwakar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint director in place of Mr. B R Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
5. To declare dividend on Preference Shares and on Equity Shares of the Company.
6. To appoint M/s Chaturvedi & Shah, Chartered Accountants, Mumbai, as Statutory Auditors of the Company to hold Office till the conclusion of the next Annual General Meeting.

SPECIAL BUSINESS

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution
"RESOLVED THAT with effect from 1st April, 2011, Mr N K Shah as Executive Director, be paid a monthly salary at the rate of ₹ 1,50,000 [Rupees One Lac Fifty Thousand Only] payable on the last working day of each calendar month, and the perquisites as detailed below, subject to deduction of all the taxes which the Company is required to deduct.;
1. Monthly House Rent Allowance equivalent to ₹ 30,000 [Rupees Thirty Thousand Only] per month ;
2. Leave Travel Allowance equivalent to ₹ 1,50,000 [Rupees One Lac Fifty Thousand Only] per year ;
3. Reimbursement of medical expenses actually incurred for himself, wife and dependant children subject to a maximum of ₹ 1,50,000

- [Rupees One Lac Fifty Thousand Only] annually ;
4. Reimbursement of entertainment expenses upto ₹ 2,750 [Rupees Two Thousand Seven Hundred Fifty Only] per month and Travelling expenses for business purposes at actuals ;
 5. Reimbursement of education and books and periodicals expenses equivalent to ₹ 1,500 [Rupees One Thousand Five Hundred Only] and ₹ 2,800 [Rupees Two Thousand Eight Hundred Only] per month respectively ;
 6. Reimbursement of Actual Telephone expenses incurred by him per month ;
 7. The use of the Company car with chauffeur and expenses for upkeep of the car which will be borne by the Company ;
 8. Participation in the Provident Fund and any other schemes provided by the Company for the benefit of its Senior Executives ;
 9. Gratuity for each completed year of service as per Gratuity Act, 1972;
 10. Entitlement of leave per year as per Company Rules and Regulations.

"RESOLVED FURTHER THAT where in any financial year the Company has no profit or in the case of inadequacy of profits in any financial year during the term of his office, the remuneration payable to Mr N K Shah, will be in accordance with the provisions of Schedule XIII of the Companies Act, 1956 as may be amended from time to time in force and that the agreement between the Company and Mr N K Shah shall be suitably amended to give effect to those amendments and the Board of Directors be and are hereby authorised to vary or increase, augment, reduce or enhance the scope of the remuneration and perquisites including the monetary value, thereof as referred to hereinabove to the extent of 20% of the Gross amount of remuneration but the same may be enhanced, augmented, altered, or varies in accordance with any guidelines regarding payment of managerial remuneration under the Companies Act, 1956 from time to time in force and that the agreement between the Company and Mr N K Shah, shall be suitably amended to give effect to those amendments."

(Contd....)

JBF Industries Limited

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

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

ATTENDANCE SLIP

D.P.Id*	
---------	--

Client Id* / Folio No.	
------------------------	--

NAME AND ADDRESS OF THE SHAREHOLDER

No. of Share(s) held:

I hereby record my presence at Annual General Meeting of the Company held on Monday, 26th September, 2011, at 12.15 p.m at Daman Ganga Resort, Silvassa, Dadra & Nagar Haveli.

Signature of the Shareholder or Proxy

* Applicable to investors holding shares in electronics form

NOTES :

1. A member is entitled to appoint a proxy to attend and vote on his behalf. The proxy need not be a member.
2. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.
3. The members are requested to bring their copy of Annual Report to the meeting and fill the Attendance Slip for attending the Meeting.
4. The Register of Members & Share Transfer Book of the Company shall remain closed from 22nd August, 2011 to 26th August, 2011 [both days inclusive] for determining the names of the members eligible for dividend, if approved.
5. Dividend, if declared at the Annual General Meeting, will be paid on or after the date Annual General Meeting by way of NECS mode, who have selected NECS mode and by way of dividend warrants to other shareholders.
6. Shareholders are requested to address their correspondence in connection with Dividend Payments, to the Company.
7. 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.
8. The shareholders who have not registered email address with the company, are requested to register the email address with company.
9. The annual accounts of the subsidiary companies and the draft service contract entered into with Mr. N. K. Shah, will be kept open for inspection at the Registered and Corporate Offices of the Company and that of the respective subsidiary companies between 11 am to 1 pm on all working days (Monday to Friday) except on holidays, up to the date of meeting.

BY ORDER OF THE BOARD OF DIRECTORS

Corporate Office
8th Floor, Express Towers
Nariman Point, Mumbai.

UJJWALA APTE
COMPANY SECRETARY

Date : 26th May, 2011

ANNEXURE TO NOTICE EXPLANATORY STATEMENT

As required under Section 173(2) of the Companies Act, 1956, the following Explanatory Statement will set out all material facts relating to items of special business mentioned in the Notice.

Item Nos. 2,3,4

Mr. Krishen Dev, Mr. Sunil Diwakar and Mr. B R Gupta, retire from the Board by rotation and being eligible, offer themselves 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 resume in respect of the above Directors is included in Corporate Governance Report, a part of the Annual Report. All the Directors have given their declaration as required under (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003.

Item No. 7

With the increase in activities due to expansion plans undertaken by the Company and resultant increase in responsibilities, it was decided to increase the remuneration payable to Mr. N K Shah, Director- Commercial, based on the recommendations of the Remuneration Committee. The related resolution was reviewed and approved by the Board of Directors, in their meeting held on 26th May, 2011, to place at the General Meeting for the members consent.

None of the Directors of the Company except Mr. N K Shah, are interested or concerned in any way in the resolution respectively.

BY ORDER OF THE BOARD OF DIRECTORS

Corporate Office
8th Floor, Express Towers
Nariman Point, Mumbai.

UJJWALA APTE
COMPANY SECRETARY

Date : 26th May, 2011

JBF Industries Limited

Regd Office : Survey No. 273, Village Athola, Silvassa, Dadra & Nagar Haveli
Corporate Office : 8th Floor, Express Towers, Nariman Point, Mumbai - 400 021.

PROXY FORM

D.P.Id*		Client Id* / Folio No.	
----------------	--	-------------------------------	--

I/We _____ being member/members of the JBF Industries Limited, hereby appoint _____ of _____ or failing him _____ of _____ as my/our proxy to attend and vote for me/us and on my/our behalf at Annual General Meeting of the Company held on Monday, 26th September, 2011, at 12.15 p.m at Daman Ganga Resort, Silvassa, Dadra & Nagar Haveli.

Signed this _____ day of _____ 2011.

Notes:

1. The Instrument of Proxy duly stamped, signed and completed, must be deposited at the Registered Office of the Company not less than 48 hours before the holding of the Meeting.
2. The form should be signed across the stamp as per specimen signature registered with the Company.
3. The Proxy need not be a Member of the Company.

**Affix
Rev.
Stamp**

Content

Directors' Report	2
Management Discussion & Analysis	5
Corporate Governance Report	8
Auditors' Report	16
Balance Sheet	18
Profit & Loss Account	19
Schedule forming part of the Balance Sheet	20
Schedule forming part of the Profit & Loss Account	27
Note on Accounts	30
Financial Information of Subsidiary Companies	40
Cash Flow Statement	41
Financial Highlights	42

CONSOLIDATED FINANCIAL ACCOUNTS

Auditors' Report	43
Consolidated Balance Sheet	44
Consolidated Profit & Loss Account	45
Schedule forming part of the Consolidated Balance Sheet	46
Schedule forming part of the Consolidated Profit & Loss Account	51
Notes to Consolidated Financial Statement	54
Consolidated Cash Flow Statement	60

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

B. R. Gupta
Director

Prakash V. Mehta
Director

Sunil Diwakar
Director

Vinay Sah (Nominee-LIC)
Director (upto 30.7.2010)

Rahul Yadav
Director (upto 23.8.2010)

Ravishankar Shinde (Nominee-LIC)
Director (w.e.f. 30.7.2010)

Company Secretary

Ujjwala G. Apte

Auditors

Chaturvedi & Shah
Chartered Accountants

Solicitors

Malvi Ranchoddas & Co.

Main Bankers

Bank of Baroda
State Bank of India
Bank of India

Andhra Bank
IDBI Bank Ltd.
State Bank of Patiala

Standard Chartered Bank
Barclays Bank PLC
Indian Overseas Bank

Registered Office

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

Corporate Office

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

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.
138, Robinson Road,
17-00, The Corporate Office,
Singapore - 068900.

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

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

Monday, 26th September, 2011
at 12.15 pm
Daman Ganga Resort,
Silvassa

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty Ninth Annual Report together with the Audited Accounts of the Company for the financial year ended on 31st March, 2011.

FINANCIAL RESULTS

[₹ in crores]

Particulars	Year ended on 31st March, 2011. [Audited]	Year ended on 31st March, 2010. [Audited]
Turnover & Other Income	3581.27	2732.92
Profit before Depreciation & Tax	264.97	245.22
Less : Depreciation	73.37	62.21
Profit before Tax	191.60	183.01
Less : Provision for Current Taxation	50.95	42.71
Less : Provision for Deferred Tax	9.31	11.27
Less : Taxes for Earlier Years	(0.08)	0.03
Net Profit for the year	131.42	129.00
Less : Prior period Adjustments	0.11	0.22
Profit brought forward from previous year	329.13	257.52
Surplus available for appropriations	460.44	386.30
Less : Transfer to General Reserve	13.15	12.90
Less : Transfer to Debenture Redemption Reserve	3.25	0.57
Less : Dividend Distribution Tax For Earlier Year Written Back	(0.14)	--
Less : Proposed Dividend on Preference Shares (₹ 36457 Previous Year ₹ Nil)	0.00	--
Less : Proposed Dividend on Equity Shares	57.32	37.35
Less : Dividend Distribution Tax on Proposed Dividend	9.30	6.35
Balance of Profit carried to Balance Sheet	377.56	329.13

DIVIDEND

As per the terms, dividend will be paid to Preference Shareholder @ ₹ 0.014 per share on 26,61,363 Cumulative Redeemable Preference Shares of ₹ 100 each.

The Board of Directors has recommended dividend of ₹ 8 (Rupees Eight only) per share (@ 80%) on the Equity Share Capital of the Company. Dividend will be paid to equity shareholders if approved by members at the Annual General Meeting.

The equity shares issued on exercise of options under ESOS before the date of book closure will be considered for the payment of dividend.

DIRECTORS

Mr. Krishen Dev, Mr. B R Gupta and Mr. Sunil Diwakar, are retiring by rotation and being eligible, offer themselves for re-appointment.

MANAGEMENT DISCUSSION AND ANALYSIS

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

ACHIEVEMENTS

Performance

The overall production of Polyester Chips during the year has increased from 4,31,342 MT in 2009-10 to 4,84,389 MT in 2010-11, reflecting an increase of 12%.

The overall production of POY during the year has increased from 1,51,551 MT in 2009-10 to 2,11,017 MT in 2010-11, reflecting an increase of 39%.

Net sale of the Company also increased from ₹ 2691.31 Crores in 2009-10 to ₹ 3557.99 Crores in 2010-11, reflecting an increase of 32%. The net profit of the Company has increased from ₹ 129.00 Crores in 2009-10 to ₹ 131.42 Crores in 2010-11.

Expansion

The Company has decided to set up a green field PTA project through JBF Petrochemicals Limited at Mangalore, India. The Company has initiated acquisition of land activities in SEZ at Mangalore and is finalising technology suppliers for setting up this project and will be completed in 3 years.

CAPITAL STRUCTURE

a. Increase in Authorised Share Capital.

During the year under review the Authorised Share Capital of the Company has been increased from ₹ 100,00,00,000 (Rupees One Hundred Crores Only) divided into 10,00,00,000 Equity Shares of ₹ 10 each to ₹ 225,00,00,000 (Rupees Two Hundred Twenty Five Crores Only) divided into 10,00,00,000 Equity Shares of ₹ 10 each and 1,25,00,000 Cumulative Redeemable Preference Shares of ₹ 100 each, by creation of additional 1,25,00,000, Cumulative Redeemable Preference Shares of ₹ 100 each and the Memorandum and Articles of Association have been altered accordingly.

b. Issue of Equity Shares.

During the year the Company has converted balance 700 Foreign Currency Convertible Bonds (FCCB), worth USD 7 million, into 35,58,333 equity shares on 23rd August, 2010.

The Company has issued 52,90,471 equity shares @ ₹ 157.15 per share under Qualified Institutions Placement issue on 30th September, 2010.

5,56,704 equity shares were issued to Directors & employees, who have exercised their options under ESOS.

As a result of the above the issued capital has gone up to ₹ 71,64,79,560.

CUMULATIVE REDEEMABLE PREFERENCE SHARES

During the year ended 31st March, 2011, Company has issued 26,61,363 – 2.5% Cumulative Redeemable Preference Shares of ₹ 100 each to Bank of India.

SUBSIDIARY COMPANY

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account 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 Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the Subsidiary Companies will also be kept open for inspection at the Registered and Corporate Offices of the Company and that of the respective Subsidiary Companies.

RISK MANAGEMENT

The Board of Directors regularly reviews risks and threats 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:

1. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to Standard Auditing Practices;
2. 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, 2011.
3. 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.
4. 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.

EMPLOYEES STOCK OPTION SCHEME

First tranche of the options granted to employees were vested on 25th September, 2010. During the year Compensation Committee met 6 times to consider the exercise of option & issue of equity shares. During the year 5,56,704 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.

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 within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and also that they are not otherwise disqualified within the meaning of the sub-section 3 of section 226 of the Companies Act, 1956.

AUDITORS' OBSERVATIONS ON STANDALONE AND CONSOLIDATED ACCOUNTS

In order to hedge the Company's exposure to foreign exchange and interest rate, the Company entered into a derivative contract. The related Currency & Interest Rate Swap losses of ₹ 84.09 Crores for the year have been charged to Profit & Loss Account. The marked to market loss in respect of the above derivative contract as on 31st March, 2011 is ₹ 144.63 Crores, which has not been provided in the books of account since the company is of the view that the loss, if any on above derivative contract may be payable only if loss conditions are triggered on observation dates starting from 3rd August, 2010 and ending on 3rd July, 2013. The loss if any, will be accounted for on actual settlements. The banker with whom, derivative transaction is outstanding has approved a line of credit to fund derivative losses partly as debt, convertible debt and preference shares.

The Auditors of the Company have qualified their reports regarding the non-provision of marked to market losses of derivative contracts amounting to ₹ 144.63 Crores as on 31st March 2011, with consequential effect of ₹ 97.70 crores on Profit after Tax.

COST ACCOUNTING RECORDS

The Company has maintained cost accounting records in respect of manufacture of Polyester Chips and Partially Oriented Yarn (POY) as required for the year ended 31st March, 2011.

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.

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 B" to the Directors Report.

FOREIGN EARNINGS/OUT GOINGS

Foreign Exchange earnings by way of exports and interest were ₹ 645.91 Crores and ₹ 2.86 Crores respectively against outgo of ₹ 1129.13 Crores on import of raw materials and ₹ 64.52 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 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

BHAGIRATH C ARYA
CHAIRMAN

Place: Mumbai

Date: 26th May, 2011.

ANNEXURE TO THE DIRECTORS REPORT**ANNEXURE A**

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 31.03.2011	For the year Ended 31.03.2010
1.Electricity		
Purchased Units (in thousands)	207,008	148,313
Total Amount (₹ in Lacs)	7,094.74	5,883.74
Rate / per unit (₹)	3.43	3.97
2. Furnace Oil		
Consumed (Kgs in thousands)	2,281	4,841
Total Amount (₹ in Lacs)	578.08	887.24
Rate/ per kg (₹)	25.35	18.33
3. Light Diesel Oil & HSD		
Consumed (Ltrs in thousands)	2,351	2,235
Total Amount (₹ in Lacs)	800.24	705.32
Rate/ per Ltr (₹)	34.04	31.56
4. Natural Gas		
Consumed (Gcal)	382,622	297,888
Total Amount (₹ in Lacs)	7,651.56	5,973.69
Rate/ per Gcal (₹)	1,999.77	2,005.35

B. CONSUMPTION PER UNIT OF PRODUCTION

	For the year Ended 31.03.2011	For the year Ended 31.03.2010
1. Electricity (kwh /Ton of Product)		
a) Polyester Filament Yarn (POY)	604	781
b) Polyester Chips	25	27
c) Polyester Processed Yarn	1,303	1,368
2. Furnace Oil (Kgs/Ton of Product)		
a) Polyester Chips	5	11
3. Light Diesel Oil & HSD (Ltrs/Ton of Product)		
a) Polyester Filament Yarn (POY)	9	12
b) Polyester Chips	-	1
c) Polyester Processed Yarn	42	7
4. Natural Gas (Gcal/Ton of Product)		
a) Polyester Chips	0.82	0.73

ANNEXURE B

Statement of particulars of employees pursuant to the provision of section 217(2a) of the Companies Act, 1956 & forming part of the Directors Report for the year ended 31st March, 2011

A. 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
1.	Mr. Bhagirath Arya	61	Executive Chairman	5,11,74,699	B.E. ELECTRICAL	38	10/06/1983	Not Applicable

Notes : 1. Remuneration as shown above includes salary, allowances, medical benefits, contribution to provident fund, superannuation scheme and Other perquisites.

2. Gross remuneration of Chairman includes ₹ 1,65,00,000/- Paid / payable as commission.

ANNEXURE TO THE DIRECTORS REPORT**Employee Stock Options Scheme 2009****JBF ESOS 2009**

	Grant 1	Grant 2 & 3	Total
(a) Options granted (Grant 1 was in the previous year, and Grant 2 & 3 in current year)	2154000	45000	2199000
(b) Pricing Formula	₹ 60.00	₹ 60.00	
(c) Options vested	657400	27000	684400
(d) Options exercised	529704	27000	556704
(e) Total number of shares arising as a result of exercise of options	529704	27000	556704
(f) Options lapsed (as at 31st March 2011)	70784	0	70784
(g) Variation of terms options	No change during the year		
(h) Money realized by exercise of options	31782240	1620000	33402240
(I) Total number of options in force (as at 31st March 2011)	1371712	18000	1389712
(j) Employee wise details of options granted during the year to			
Mr Vinod Kumar Bhatia	27000		
Mr Bhajrang Daga	6000		
Mr Jai Prakash Pareek	6000		
Dr Shriram Wadekar	6000		
2 Employees to whom more than 5% options granted during the year (as above)	NA	As above	
3 Employees to whom options more than 1% of issued capital granted during the year	Nil	Nil	
(k) Diluted EPS, pursuant to issue of shares on exercise of options			18.81
(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 and ₹ 116.55	
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 higher by ₹ 1,23,05,354/- 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 would have been lower by ₹ 1,23,05,354/- and EPS would have been lower by ₹ 0.17, had the Company used fair value method of accounting the options issued under ESOS		
(m) 1 Weighted average exercise price	₹ 60.00	₹ 60.00	
2 Weighted average fair value of options based on Black Scholes methodology	₹ 51.39	₹ 100.54 & ₹ 128.82	
(n) Significant assumptions used to estimate fair value of options including weighted average			
1 Risk free interest rate	7.00%	7.00%	
2 Expected life	Average life taken as 2 years from date of grant, except for Grant 2 where it is less than 1 year		
3 Expected volatility	39.00%	39 % & 42%	
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	

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.

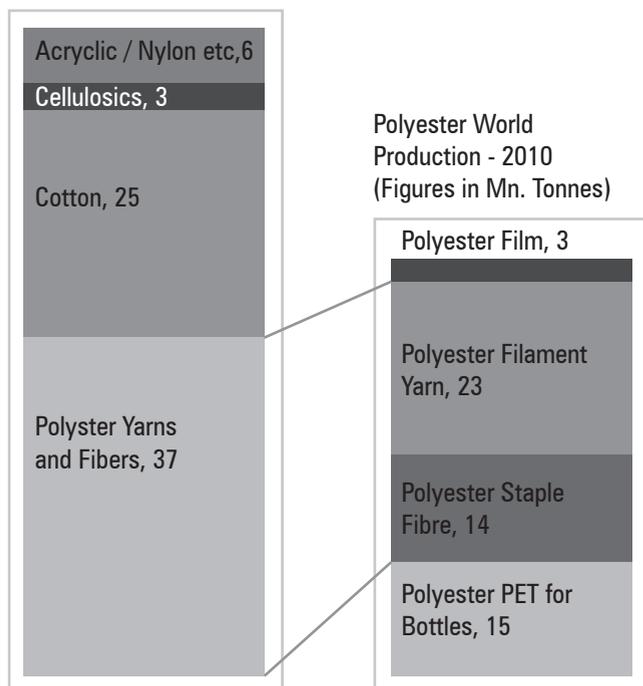
1. WORLD SCENARIO:

The world economy endured its most severe correction since the 1930s over the last 2 years.

Governments world over have become more sensitive and proactive to enforce fiscal corrections to mitigate financial bottlenecks. Monetary and fiscal policies have become more effective and are far better coordinated worldwide. Governments have better tools at their command and are using them relatively effectively as compared to the past.

It is estimated that the world GDP which was doomed to be abysmally low around 2%, may recover by another 2% to say around 4%.

World Fiber Production (Figures in Mn. Tonnes)



Source: JBF Internal Research

Ensuring fiscal discipline will be the prime focus with most governments. On the other hand, governments will have to cope up with huge debts and the requirement to meet the needs of ever demanding population groups. Vast improvements and innovations in communications and computing technology over the past decade have facilitated the establishment of a global market place for increasing volumes of commodities, capital, and labor. Economies are now extremely choosy in ensuring benefits through

capital and technology transfers and hence making goods and services available to the masses at best possible affordable rates. However, unfortunate turn of events, natural or political do tend to scuttle the entire development process, and governments have to build in a risk management system to mitigate such unfortunate turn of events.

The world fibre production for all various fibres i.e. cotton and non cotton, was estimated at 72 million Tonnes during the year 2010, 64% of which amounting to nearly 46 Mn. Tonnes being in Synthetics category and balance 36 % amounting to 26 Mn. Tonnes being in the Natural fibres category.

Polyesters account for almost 37 Mn. Tonnes of the Synthetics category – a single highest number of 80%. However, apart from the fibre applications, there are other non fiber applications in Polyester, totaling to almost 17 Mn. Tonnes in 2010. Consequently, Polyester Production world over tantamounted to 55 Mn. Tonnes in 2010. The graph portrays the overall phenomenon for the current period:

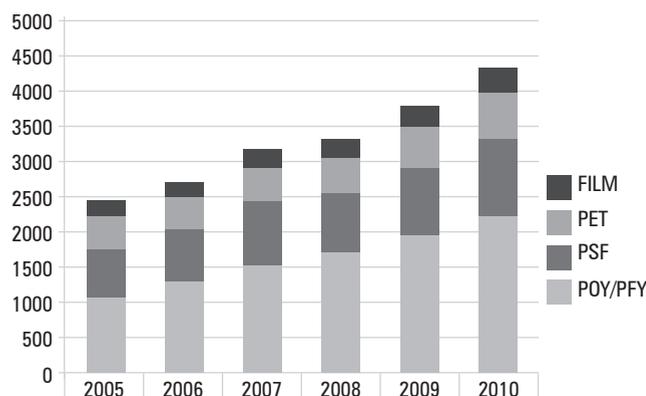
2. WORLD AND INDIAN POLYESTER SCENARIO

The world production for Polyester has reached a total of 55 Million Tonnes by 2010. The growth of Polyester Filament Yarn has been the highest amongst all the other polyester based products of Staple Fibre, PET Resin for Bottle and PET Resin for Film, clocking a number of almost 17%. Polyester Filament Yarn accounts for nearly 45% of the overall polyester production. Going forward, it is expected that in the next decade i.e. between 2010 and 2020 the composite growth rate for all Polyesters should be slightly over 5 % though the highest growth rate may emerge from Polyester Film in the region of around 7%.

Amongst the new applications it is envisaged that there will be a growth in various applications for both PET Resins, that is, for bottle end use as well as for PET resin for film. It is anticipated that new applications in PET Resin such as for A PET sheets, usage for PET in beer bottles etc will be increasing. At the same time newer applications for Polyester Film in items such as Solar Photo Voltaic Cells, lamination of TV screens and other high end applications are likely to emerge.

In India, overall growth for polyester has been in the range of around 14% largely driven by growth of Polyester Filament Yarn. Total polyester production in India stands at around 4.3 Million Tonnes by end of 2010 with the Filament yarn accounting for almost 52% of the total production. The graph below outlines the demand trend in India for various types of Polyesters:

Production Of Polyester Products In India

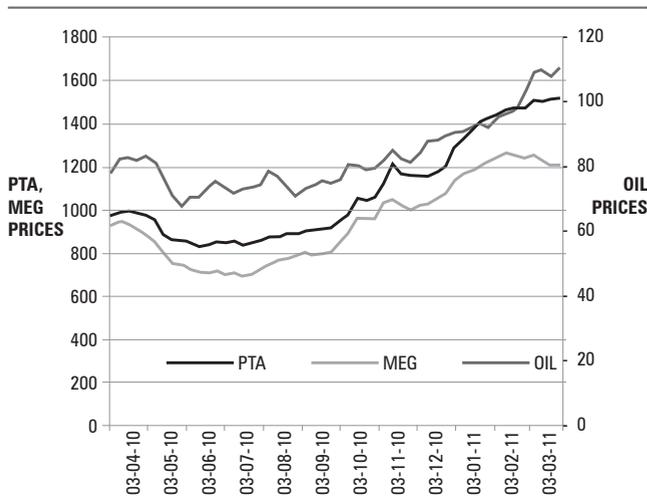


Source: JBF Internal Research

Last year has seen a major changes in pricing of Raw Material PTA and MEG. This was attributed largely to reasons of demand and supply, though prices of oil did contribute to pricing of these petrochemical based raw

materials. There was a stage when prices kept galloping fuelled by rising demand and shortage in supply of PTA. The graph below depicts this phenomenon.

Price movements in OIL, PTA and MEG



Over the last few months shortage and high prices of cotton had led to the increased demand in Polyester. As of today, polyester is the cheapest item, cheaper than cotton and way below prices of nylon 6 or nylon 66 amongst the competing fibres. Research has also now shown that a major proportion of polyester has now penetrated the lower income group of the society. Further, there appears to be a vast potential for polyester towards technical textiles where India has a very small penetration as compared to other countries world over

3. CURRENT YEAR'S PERFORMANCE

HighLights		Year 2010-11	Year 2009-10	% Change
Total Shipments				
Polyester Chips	MT	276376	276411	(0.01)
Polyester Filament Yarn(POY)	MT	198585	143615	38.28
Polyester Processed Yarn	MT	8484	6517	30.18
Total		483445	426543	13.34
Net Turnover	₹ in Crores	3557.99	2691.31	32.20
Profit before Interest, Depreciation and Tax	₹ in Crores	428.09	307.11	39.39
Interest and Finance charges	₹ in Crores	163.12	61.89	163.56
Depreciation	₹ in Crores	73.37	62.21	17.94
Current Taxation (Net)	₹ in Crores	50.87	42.74	19.02
Deferred Tax	₹ in Crores	9.31	11.27	(17.39)
Net Profit	₹ in Crores	131.42	129.00	1.88
Earning per share (EPS) -Basic	₹	19.53	20.69	(5.61)
-Diluted	₹	18.81	19.51	(3.59)
Equity Shares- No. of Shares as on 31st March.	Nos.	71647956	62242448	15.11
No of Shares for basic EPS	Nos.	67240621	62242448	8.03
No of Shares for Diluted EPS	Nos.	69798468	66215879	5.41

4. CASH FLOW ANALYSIS

₹ in Crores

Sources of Cash	2010-11	2009-10
Cash from Operations	400.98	271.46
Income from Investing Activities	11.47	7.08
Decrease in Working Capital	-	38.92
Proceeds from Term Borrowings (net of repayment)	278.11	136.47
Proceeds from Equity	86.48	-
Exchange Difference(Net)	5.31	-
Sale of Invesments (Net)	4.38	-
Decrease in cash & Cash equivalent	-	3.45
Total	786.73	457.38
Use of Cash		
Net Capital Expenditure	230.21	224.32
Increase in Working Capital	154.69	-
Interest paid	90.42	59.41
Dividend paid (Incl. Tax on Dividend)	43.32	36.23
Tax paid (net)	54.59	40.79
Exchange Difference(Net)	-	5.20
Investment in Subsidiary Company	161.14	-
Purchase of Investment (Net)	-	91.43
Shares/FCCB Issue Expenses	3.13	-
Increase in cash & Cash Equivalent	49.23	-
Total	786.73	457.38

5. EXPANSION PLANS AT JBF

During the year 2010-11 the company has completed, by way of debottlenecking and expansion, increase in capacity for both Polyester Chips as well as Polyester POY. The company's current capacity of chips stands at around 608,800 Tonnes per annum and for POY at around 245,000 Tonnes per annum. During the year 2010-11 the company has completed debottlenecking activities at JBF RAK, U.A.E. plant, thereby taking the capacity up to 450,000 Tonnes per annum for Chips. In the year 2011-12, at JBF RAK, U.A.E., the company would be adding on one more line for production of Polyester Film, so as to increase the Film capacity from the current level of 66,000 Tonnes per annum to 100,000 Tonnes per annum.

NEW PROJECTS

a. Looking at the size of operation at both India and U.A.E. and realizing that over a period of next 2 / 3 years the company could be producing more than 1.2 Million Tonnes per annum of Polyester and implying thereby the requirement of PTA to the extent of nearly 1 million Tonnes per annum, the company has embarked on setting up a green field PTA Project at Mangalore, India. The company has initiated acquisition of land activities in SEZ at Mangalore and is finalizing technology suppliers for setting up this project through a subsidiary JBF Petrochemicals Ltd. It is expected that the project would be completing by around 1st quarter of 2014 and once completed the company would be self sufficient and self reliant in its procurement of its vital raw-material PTA.

b. BP has entered into agreements with JBF RAK LLC under which JBF RAK LLC is to build a new 390,000 tonnes per year Polyethylene Terephthalate (PET) production unit at Geel, Belgium, subject to required approvals.

The agreements provide JBF rights to build and operate this PET unit as a co. location on BP's existing Petrochemicals complex in Geel, adjacent to BP's world-class Purified Terephthalic Acid (PTA) facility. BP will in return supply PTA directly to this new PET manufacturing unit. Startup of the unit scheduled in 2014.

6. SWOT ANALYSIS

The following describes the Strength, Weaknesses, Threats and Opportunities faced by the company.

STRENGTHS:

- Product Mix spread over four important Polyester products, i.e. Film, PET Chips, Fibre Grade Chips and POY and Fully drawn Yarns.
- Ability to produce various grades of chips such as Bright, Cationic, Film grade, Bottle Grade in various varieties, apart from normal Fibre Grade Chips.
- Strong Cash Flows

WEAKNESSES:

- Procurement of Raw Materials from indigenous sources subject to vagaries of satisfactory plant operations with suppliers.
- Major reliance on imports of MEG.
- Raw material prices are subject to high volatility.
- Low profile player in the market

OPPORTUNITIES

- In view of large captive consumption for PTA and MEG, there exists a strong opportunity for the company to enter into backward integration for production of its Raw Materials – either by way of setting up a grass root plant or by way of a Merger or acquisition. JBF will continue to explore various avenues and keep evaluating the viability of any opportunity that may arise.
- The markets for Yarns continue to increase with increasing demand. JBF will keep examining the opportunity of further expansion by way of debottlenecking exercises or by way of grass root expansions.

THREATS

- Imports of POY and Fully Drawn yarns at low rates tantamounting to dumping continue to take place. JBF will continue to represent to Government for protecting the local industry by way of imposing anti dumping duties.
- Of late, heavy expansions are indiscriminately being taken up in the industry for Chips, which can result in excess supply of Chips. JBF, to mitigate the risk, is taking suitable steps into producing higher quantum of specialty grade chips and to develop export market for chips.

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)

JBF Industries Limited, as a responsible manufacturer of Polyester Chips and Polyester Yarn is committed to take adequate precautions related to safety, health and environment

The company is certified for ISO 9001:2008 (Quality Management System), ISO 14001:2004 (Environment Management System) and OHSAS 18001:2007 (Occupational Health and Safety Assessment System). Company's objectives of SHE are not merely to comply with the standards but to adopt practices which are considered to be the best in the industry.

The company has a well established policy and guidelines for and ensures its implementation through regular training, audits and close monitoring of SHE activities.

Some highlights for the year gone by and practices adopted and other highlights are as under:

A. SAFETY :

- No Fatal Accident occurred in the period FY'11
- A periodic review of the safety system is carried out to ensure that the safety practices adopted are uniform and follow the well laid out policies and procedures.
- For all new contracts, safety briefing is being done before the job is carried out.
- Employees including the contract workmen are being given necessary health and safety induction and provided with appropriate training (including proper usage of PPE's, safe working at height, electrical safety).
- Employees are trained for handling emergencies through periodic mock drills.
- Quarterly safety audit is being done through safety committee members and External Safety Audit is been done through National Safety Council.
- As a motivational effort, National Safety Day, Fire Service Day is being celebrated on a large scale.
- First Aid Awareness Training being given to employees through ST. John's Ambulance.
- All fire Extinguishers are checked and inspected through external agencies.
- Once a year Fire Safety Training through External Agencies is being conducted.

B. HEALTH

- No occupational disease observed
- Pre-employment and Periodic Health checks 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
- Toilets and Drinking water facility provided and they are being regularly inspected for cleanliness.

C. ENVIRONMENT

- Environment conservation and sustainable development are the continuous focus points of the company and for this, continuance improvement in the environmental standard is an important aspect of the Company's business objectives.
- All the environment protection and pollution abatement measures are carried out inside the company itself to ensure that all the stipulated environmental standards are strictly followed.
- There is continuous effort in reducing the fuel consumption.
- Third party Environment monitoring is being conducted quarterly through External Agencies.
- Zero discharge effluent as the treated effluent is being used for gardening purpose.
- Environment Day Celebration is being conducted on a large scale and tree plantation is been done to celebrate the occasion.
- Rainwater harvesting concept is being implemented.

9. AWARDS

For the second year in succession, JBF Industries Ltd. was awarded Dun and Bradstreet – Rolta Corporate Award, by Dun and Bradstreet, for achieving the best performance amongst various Indian companies under the Petrochemicals and Polymers sector.

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 Board of Directors consists of 10 directors out of which 5 are Independent. The Company has an Executive Chairman. The proportion of Non-Executive Directors to Executive Directors complies with the provisions of listing agreement with Stock Exchanges.

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	Director	Non Executive & Independent
Mr. B. R. Gupta	Director	Non Executive & Independent
Mr. P. V. Mehta	Director	Non Executive & Independent
Mr. Sunil Diwakar	Director	Non Executive & Independent
Mr. Vinay Sah upto 30.07.2010	Director (LIC Nominee)	Non Executive & Independent
Mr. Ravishankar Shinde w.e.f 30.07.2010	Director (LIC Nominee)	Non Executive & Independent
Mr. P. R. Srinivasan upto 25.05.2010	Director (Nominated by CVCI)	Non Executive & Investor Director
Mr. Rahul Yadav upto 23.08.2010	Director	Non Executive & Independent

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.

Directors Retiring by Rotation in this Annual General Meeting.

Mr. Krishen Dev, Mr. Sunil Diwakar and Mr. B R Gupta are retiring by rotation.

Their brief profile is as follows:

Mr. Krishen Dev, a Chemical Engineer by training, has over 40 years of experience, specialising in polyester filaments. Previously, Mr. Dev has also been associated with Reliance Industries Ltd., Century Enka Ltd. and DCM Ltd.

Mr. Dev is on the Board of Everest Kanto Cylinder Ltd and Powerica Ltd. He is member of Audit & Investment Committees and Chairman of Remuneration Committee of Everest Kanto Cylinder Ltd. and also member of Audit Committee of Powerica Ltd.

Mr. Dev holds 15000 shares of the Company as on 31st March, 2011.

Mr. B. R. Gupta, 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 35 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. Gupta is on the Boards of Aditya Birla Nuvo Ltd., HOV Services Ltd., Sagacious Financial Services Ltd., & JBF RAK LLC. Mr. Gupta has been an Advisor to IL&FS Academy for Insurance and Finance Ltd., an initiative of IL&FS group for several years and at present he is advisor to Trinity Global Educations Pvt Ltd. He is also member of Audit Committee of Aditya Birla Nuvo Ltd. and Chairman of Audit Committee of HOV Services Ltd. and Sagacious Financial Services Ltd. He is also Chairman of Investor Grievance Committee of HOV Services Ltd.

Mr. Gupta holds 7000 shares of the Company as on 31st March, 2011.

Mr. Sunil Diwakar, holds a Masters Degree in Production Technology from IIT, Madras and also holds a diploma in International Management from IMI, New Delhi. He joined IL&FS in the year 2004. He has an experience of over 16 years in the Indian Private Equity Industry and 3.5 years experience in the Aeronautical Engineering Industry.

Mr. Diwakar is on the Board of Asian Hotels (West) Ltd., Bharat Fritz Werner Ltd., Continental Warehousing Corporation (Nhava Seva) Ltd., Electrosteel Steels Ltd., Malladi Drugs & Pharmaceuticals Ltd., Prasad Corporation Ltd., and RSB Transmission (I) Ltd.

He is also member of Audit Committee of Bharat Fritz Werner Ltd., Continental Warehousing Corporation (Nhava Seva) Ltd., Electrosteel Steels Ltd., Malladi Drugs & Pharmaceuticals Ltd., Prasad Corporation Ltd., & RSB Transmission (I) Ltd. and member of Remuneration Committee of Prasad Corporation Ltd., & RSB Transmission (I) Ltd.

Mr. Diwakar does not hold any shares of the Company as on 31st March, 2011

Meeting of the Board of Directors

During the Financial Year 2010-2011 the Board of Directors met 5 times on 26th May, 2010, 30th July, 2010, 29th October, 2010, 28th January, 2011 and 9th February, 2011.

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
Bhagirath C Arya	5	No	1	Nil	Nil
Rakesh Gothi	4	Yes	Nil	Nil	Nil
P. N. Thakore	5	Yes	Nil	Nil	Nil
N. K. Shah	4	Yes	Nil	Nil	Nil
Veena Arya	2	No	1	Nil	Nil
Krishen Dev	3	Yes	2	2	Nil
Prakash Mehta	4	No	8	7	Nil
B. R. Gupta	5	Yes	3	4	3
Sunil Diwakar	3	No	7	5	Nil
Vinay Sah upto 30.07.2010	1	NA	NA	NA	NA
Ravishankar Shinde (w.e.f 30.07.2010)	3	Yes	Nil	Nil	Nil
P. R. Srinivasan upto 25.05.2010	Nil	NA	NA	NA	NA
Rahul Yadav upto 23.08.2010	Nil	NA	NA	NA	NA

* 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.

Resolutions by Circulation

One Resolution was proposed and passed during the last year through Circulation.

Board Meetings, Its Committee Meetings and Procedures

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 proceedings of subsidiaries JBF RAK LLC and JBF Global Pte Ltd were 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 analysis of the same. The different risks involved are mitigated by analysing existing controls and facilities.

The Board is given presentation 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 Audit Committee comprises of 3(Three) Independent & Non-Executive Directors namely Mr. B. R. Gupta, (Chairman), Mr. Krishen Dev and Mr Sunil Diwakar. All the members of the Audit Committee possess financial/accounting expertise.

The Audit Committee was re-constituted on 30th July, 2010, after resignation of Mr. Vinay Sah, as Nominee Director representing Life Insurance Corporation of India.

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. Approval of 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. Discussion 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. Discussion 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. To look 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. Approval 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. Review 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.

Meeting of the Audit Committee

During the Financial Year 2010-2011 the Audit Committee met 4 times on 26th May, 2010, 30th July, 2010, 29th October, 2010, and 28th January, 2011.

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

Attendance of each Member at the Audit Committee meetings held during the year:

Name	Position	Meetings Held	Meetings Attended
Mr. B. R. Gupta	Chairman	4	4
Mr. Krishen Dev	Member	4	3
Mr. Sunil Diwakar	Member	4	1
Mr. Vinay Sah upto 26th May, 2010	Member	4	1

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

The Chairman of the Audit Committee was present at the last Annual General Meeting.

ii. Shareholders / Investor Grievance Committee

The Investor Grievance Committee comprises of 3 (Three) Independent, Non-Executive Directors, namely Mr. B. R. Gupta (Chairman), Mr. Prakash Mehta and Mr. Sunil Diwakar.

The Investor Grievance Committee was re-constituted on 30th July, 2010, after resignation of Mr. Vinay Sah, as Nominee Director representing Life Insurance Corporation of India.

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.

Meeting of the Investor Grievance Committee

During the Financial Year 2010-2011 the Investor Grievance Committee met 4 times on 26th May, 2010, 30th July, 2010, 29th October, 2010 and 28th January, 2011.

Attendance of each Member at the Investor Grievance Committee meetings held during the year:

Name	Position	Meetings Held	Meetings Attended
Mr. B. R. Gupta	Chairman	4	4
Mr. Sunil Diwakar	Member	4	2
Mr. Prakash Mehta	Member	4	1
Mr. Vinay Sah upto 26th May, 2010	Member	4	1

The total number of complaints received and replied to the satisfaction of the shareholders during the year was 45. Pending complaints as on 31st March, 2011, were Nil.

Compliance Officer

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

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.

iii. Remuneration Committee

The Remuneration Committee comprises of 3 (Three) Independent Non-Executive Directors namely, Mr. Prakash Mehta (Chairman), Mr. B R Gupta, Mr. Sunil Diwakar.

Remuneration Committee met once on 26th May, 2010, during the financial year 2010 – 2011.

Remuneration Committee was re-constituted on 30th July, 2010, after resignation of Mr. Vinay Sah, as Nominee Director representing Life Insurance Corporation of India.

Attendance of each Member at the Remuneration Committee meeting held during the year:

Name	Position	Meetings Held	Meetings Attended
Mr. Prakash Mehta	Chairman	1	Nil
Mr. B R Gupta	Member	1	1
Mr. Sunil Diwakar w.e.f 30th July, 2010	Member	1	N.A
Mr. Vinay Sah Upto 26th May, 2010	Member	1	1

As per the resolution passed by the members of the company held on 20th September, 2007 & 30th December, 2008, the Board of Directors is authorised to vary, increase, or enhance the scope of the remuneration and perquisites including the monetary value thereof to the extent of ₹ 1 Crore (Rupees One Crore only) to Mr. Rakesh Gothi, CEO & Managing Director, ₹ 60 Lacs (Rupees Sixty Lacs) 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 including commission paid to the Executive Chairman, Managing Director, Executive Directors and Independent Directors 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	320.26	190.00	26.71	536.97	5 years	3 months
Mr.Rakesh Gothi	51.44	--	3.98	55.42	5 years	3 months
Mr.P.N. Thakore	27.22	--	0.96	28.18	3 years	3 months
Mr.N.K.Shah	16.72	--	1.60	18.32	3 years	3 months

Besides this, Executive Chairman and all the Executive Directors are entitled to provident fund, gratuity, encashment of leave at the end of the tenure, as per the rules of the Company.

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

* 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, ₹15,000, ₹ 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	₹ 1,00,000
Mr. B. R. Gupta	₹ 1,75,000
Mr. Prakash Mehta	₹ 70,000
Mr. Sunil Diwakar	₹ 65,000
Mrs. Veena Arya	₹ 30,000
Mr. Vinay Sah (Nominee LIC)	₹ 35,000
Mr. Ravishankar Shinde (Nominee LIC)	₹ 45,000

None of the 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, 2011, is as below mentioned.

Sr. No	Name of the Directors	No. of Shares
1	Mr. Krishen Dev	15000
2	Mr. Prakash V Mehta	15000
3	Mr. B R Gupta	7000

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 2010 – 2011 as follows.

Sr. No.	Period	No. of Meetings
1	1st April, 2010 to 30th June, 2010	5
2	1st July, 2010 to 30th September, 2010	3
3	1st October, 2010 to 31st December, 2010	2
4	1st January, 2011 to 31st March, 2011	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	6	3
Mr. P.N.Thakore	Member	6	6
Mr. B.R. Gupta	Member	6	6
Mr. Krishen Dev	Member	6	3
Mrs. Ujjwala Apte	Co.Secretary By Invitation	6	6

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. Out of this grant 70784 (previous year 181800) options were surrendered which are considered as lapsed and are available for reissue. Each option represents a right but not obligation to apply for 1 fully paid equity share of ₹ 10 each at the exercise price. The options granted will vest equally over 3 year from the date of grant. Disclosure required by SEBI guidelines on ESOS as annexed to the Directors' report which also gives details of options granted to Directors and senior management personnel.

During the year the Company has further granted 45000 options convertible into equal number of equity shares of ₹ 10 each to 4 employees.

The first part of options granted to employees were vested on 25th September, 2010. During the year 556704 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.

Annual General Meetings

DATE	VENUE	TIME	SPECIAL RESOLUTIONS PASSED
25th September, 2010	D a m a n G a n g a Resort	12.30 p.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. Remuneration of Ms. Chinar Arya
25th September, 2009	D a m a n G a n g a Resort	12.00 noon	1. Re-appointment of Mr. P. N. Thakore, as Director-Finance, on terms and conditions and on such remuneration approved by the Board of Directors. 2. Re-appointment of Mr. N.K.Shah, as Director-Commercial, on terms and conditions and on such remuneration approved by the Board of Directors. 3. Increase in the limit of investment in subsidiaries under Section 372 (2A). 4. Increase in Borrowing Limit under Section 293(1)(d). 5. Employees Stock Option Scheme under Section 81 (A) for employees of the Company. 6. Employees Stock Option Scheme under Section 81 (A) for employees of the Subsidiary Company.
30th December, 2008	D a m a n G a n g a Resort	12.30 p.m.	1. Remuneration of Mr. Rakesh Gothi, Managing Director & CEO. 2. Remuneration of Mr. P.N.Thakore, Director Finance & CFO. 3. Investment under Section 372 (2A).

Extra Ordinary General Meeting

Extraordinary General Meeting of the Company was held on 24th March, 2011, to seek approval of the shareholders to increase in Authorised Share Capital and accordingly change the Memorandum and Articles of Association of the Company. This arrangement was made to accommodate the issue of preference share in favour of Bank of India.

Bank of India has approved line of credit to fund losses incurred / expected to be incurred by the Company on account of derivative transaction of the Company with Bank of India to hedge ECB loan.

As a part of the credit line, the Company has to issue and allot 2.5% Cumulative Redeemable Preference Shares (CRPS) of ₹100 each aggregating not more than ₹ 115 crores in four tranches.

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

Disclosures on Materially Significant Related Party Transactions

The Company carries on 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 notes on accounts (Schedule 'P' - 8) forming as 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.

Disclosure of Accounting Treatment

In order to hedge the Company's exposure to foreign exchange and interest rate, the Company entered into a derivative contract. The related Currency & Interest Rate Swap losses of ₹ 8409 Lacs for the year have been charged to Profit & Loss Account. The marked to market loss in respect of the above derivative contract as on 31st March, 2011 is ₹ 14463 Lacs, which has not been provided in the books of account since the company is of the view that the loss, if any on above derivative contract may be payable only if loss conditions are triggered on observation dates starting from 3rd August, 2010 and ending on 3rd July, 2013. The loss if any, will be accounted for on actual settlements. The banker with whom, derivative transaction is outstanding has approved a line of credit to fund derivative losses partly as debt, convertible debt and preference shares.

Risk Management

The Company has a formal Risk Management Framework in place for risk assessment and minimisation. The Company is in the process of further upgrading its Risk Management framework. The Scope of the Audit Committee includes review of Company's financial and risk management policies.

The Risk Management Committee regularly meets and the report is placed before the Board of Directors.

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

Subsidiary Company

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

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, 2011, 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 subject themselves to a Secretarial Audit for purposes of reconciliation of the total admitted capital with both the depositories and the total issued and listed capital, the Company confirms 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. is submitted at close of each quarter to the Stock Exchanges.

Means of Communication

The half yearly and quarterly financial results of the Company are, in compliance of Clause 41 of the Listing Agreement, published in Business Standard at the place where the Corporate Office is situated and The Economic Times, a local vernacular news edition, at the place where the Registered Office is situated. Half-yearly results in addition to being published in newspapers are also provided on receipt of a request from the shareholders.

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

The Annual Report is posted individually to all members entitled to receive a copy of the same.

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	26th September, 2011 at 12.15 p.m.
Venue	Daman Ganga Resort, Silvassa.
Financial Calendar [Tentative]	
Results for the quarter ended June, 2011.	End 2nd week of August '11
Results for the quarter ended September, 2011	End 2nd week of November '11
Results for the quarter ended December, 2011.	End 2nd week of February '12
Results for the quarter ended March, 2012	End May' 12
Annual General Meeting	End September' 12

Book Closure

The Register of Members will be kept closed from 22nd August, 2011 to 26th August, 2011. [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 22nd August, 2011.

The dividend will be paid, if declared, on or after the date of AGM i.e 26th September, 2011.

Dividend Declared for the last 7 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

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

Note: Dividend of ₹ 8 per share recommended by the Directors on 26th May, 2011 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) for the entire years are requested to get their warrants revalidated 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 reminders 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, and The Calcutta Stock Exchange.

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 2011-12 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, 2010, had approved Employees Stock Option Scheme for 21,78,486 equity shares of ₹ 10 each for offering to eligible employees 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.

Out of 21,78,486 options Committee granted 21,54,000 options at exercise price of ₹ 60 per share to selected employees and Directors on 25th September 2009. Out of this grant 70784 (previous year 181800) options were surrendered which are considered as lapsed and are available for reissue. During the year the Company has further granted 45000 options convertible into equal number of equity shares of ₹ 10 each to 4 employees.

The first part of options granted to employees were vested on 25th September, 2010. During the year 556704 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.

FOREIGN CURRENCY CONVERTIBLE BOND : (FCCBs)

During the year ended 31st March, 2011, balance Foreign Currency Convertible Bond (FCCB) holders exercised their right of conversion and accordingly equity shares of ₹ 10 each fully paid up have been allotted to them. No FCCBs were outstanding as at 31st March, 2011.

Dematerialisation of Shares : As on 31st March, 2011.

Mode of Holding	No of shares held	%age to Total Capital
N S D L	59164805	82.58
C D S L	11286095	15.75
Total Demat Holding	70450900	98.33
Physical Holding	1165328	1.63
*Shares yet to be listed	31728	0.04
Total Shareholding	71647956	100.00

*Listed on NSE on 18.04.2011 & on BSE on 13.04.2011

Distribution of shareholding : As on 31st March, 2011.

Shareholding of Shares	No of Share holders	Number of Shares held	Percentage to Total Capital
1 - 500	31329	3675192	5.13
501 - 1000	1441	1161512	1.62
1001 - 2000	710	1104115	1.54
2001 - 3000	258	664907	0.93
3001 - 4000	129	468541	0.65
4001 - 5000	105	500833	0.70
5001 - 10000	170	1287618	1.80
10001 and above	249	62785238	87.63
TOTAL	34391	71647956	100.00

The Share holding Pattern : As on 31st March, 2011.

Group	No. of Shares held	% held
Indian Promoters	29532315	41.22
Directors / Relatives	73470	0.10
Body Corporates	6332714	8.84
Financial Institutions, Insurance Cos., & Banks	3185959	4.45
Trusts & Mutual funds	9604974	13.41
FIs, FCs, NRIs & NRNs	8051606	11.23
Indian Public	14866918	20.75
TOTAL	71647956	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

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

Cumulative Redeemable Preference Shares. (CRPS)

During the year ended 31st March, 2011, Company has issued 26,61,363 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. These CRPS are redeemable at par on 30th September 2018.

Trading in Equity Shares of the Company is permitted only in Dematerialised 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 2010	168.15	117.00	168.45	117.25
May 2010	164.80	125.10	164.90	125.05
June 2010	150.25	133.00	150.40	131.20
July 2010	150.95	133.00	150.90	136.00
August 2010	158.20	133.25	158.00	133.10
September 2010	190.00	145.65	169.70	145.00
October 2010	228.00	153.10	228.60	153.20
November 2010	226.35	169.00	226.40	161.05
December 2010	198.00	147.15	198.00	147.25
January 2011	201.30	158.05	201.35	157.70
February 2011	191.35	152.60	191.40	152.50
March 2011	178.00	151.25	178.25	159.10

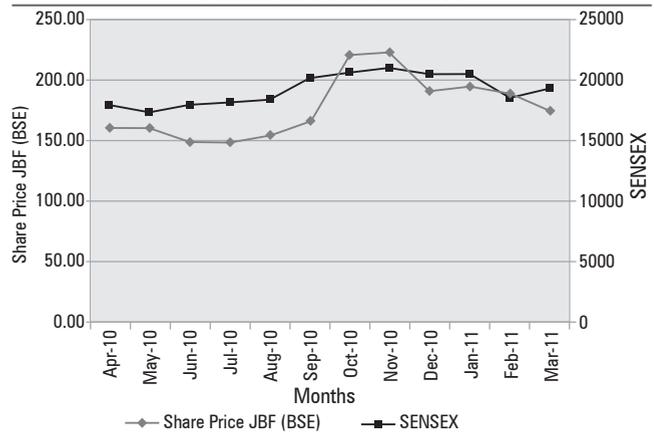
Source : website of BSE & NSE

Liquidity:

The average daily turn over of the equity shares of the company during the financial year 2010-2011 is as follows:

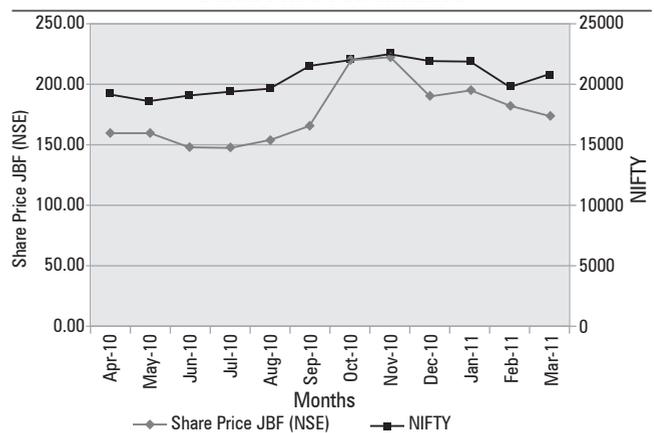
BSE : 299484
 NSE : 408273
 JBF Share Price at BSE

Stock Price Performance



JBF Share Price at NSE

Stock Price Performance



Plant Location : Survey No. 273, Saily-Rakholi Road Village Athola, Dadra Nagar Haveli, 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.shares@jbfmail.com**
 Website : **www.jbfindia.com**

Compliance with mandatory requirements

The Company is fully compliant with the applicable mandatory requirements of Clause 49.

Compliance with non-mandatory requirements

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

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, 2011.

For JBF Industries Limited
Rakesh Gothi
 CEO & Managing Director

Place : Mumbai
 Date : 26th May, 2011

**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, 2011 and to the best of our knowledge and belief that :-

1. these Audited Financial Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. these statements are in compliance with existing accounting policies, accounting standards, applicable laws and regulations;
3. there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended on 31st March, 2011 which are fraudulent, illegal or violative of the Company's code of conduct.
4. 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.
5. We further certify that :-
 - a. there have been no changes in internal control during this period.
 - b. there have been no changes in accounting policies during this period.
 - c. 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 over financial reporting.

Rakesh Gothi
Managing Director
Chief Executive Officer

P. N. Thakore
Director Finance
Chief Financial Officer

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

BHAGIRATH C. ARYA
CHAIRMAN

Place : Mumbai
Date : 26th May, 2011

CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of

JBF INDUSTRIES LIMITED

1. We have examined the compliance of conditions of Corporate Governance by JBF Industries Limited, for the year ended on 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.
2. 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 of 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.
3. 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.
4. We state that, such compliance is neither an assurance as to the 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
(Firm Reg. No.: 101720W)
Chartered Accountants

R. Koria
Partner
Membership No. 35629

Place : Mumbai
Date : 26th May, 2011

AUDITORS' REPORT

To the Members,

JBF INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of JBF INDUSTRIES LIMITED ("the Company") as at 31st March 2011, the Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003 ('the Order'), issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure hereto, a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
4. Attention is drawn to the:
Note No.25(c) of the Schedule "P" regarding "the non-provision of marked to market losses of derivative contracts amounting to ₹ 144.63 Crores as on 31st March 2011 on account of reasons as explained in the aforesaid note. Had the same been provided the profit after tax for the year ended 31st March 2011 and Reserves as at 31st March 2011 would have been ₹ 33.72 Crores and ₹ 758.37 Crores respectively as against the reported figures of ₹ 131.42 Crores and ₹ 856.07 Crores respectively
5. Further to our comments in the annexure referred to in paragraph 3 above and subject to our comment in paragraph 4 above, 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 purposes 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 such books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of the written representations received from the directors as on 31st March, 2011 and taken on records by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act 1956. As regards to the Directors nominated by Financial Institution, they are exempted from the provisions of Section 274 (1) (g) in view of general circular issued by the Department of Company Affairs.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956, 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, 2011;

- (ii) In the case of Profit and Loss Account, of the profit of the Company for the year ended on that date; and
- (iii) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For CHATURVEDI & SHAH

(Registration No.: 101720W)

Chartered Accountants

R. KORIA

Partner

Membership No. 35629

Place: Mumbai

Dated: 26th May, 2011

ANNEXURE TO AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date to the members of JBF Industries Limited on the accounts for the year ended 31st March, 2011)

- (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 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 made any substantial disposal of 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, inventory has 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 loans to two subsidiaries. In respect of the said loans, the maximum amount outstanding at any time during the year was ₹ 238.02 crores and the year-end balance is ₹ 38.99 Crores.
 - (b) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
 - (c) As per the terms of the loans, neither the interest nor the principal amounts are due for recovery.
 - (d) In respect of the said loans, the same are not due for repayment and therefore the question of overdue amounts 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.
- (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 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) We have been informed by the management that the Central Government has prescribed the maintenance of Cost Records pursuant to clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of its manufacturing activities. 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, 2011 for a period of more than six months from the date they became payable.
- Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.
- (b) According to the information and explanations given to us, the disputed statutory dues aggregating to ₹ 9.06 Crores, 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	0.00*	2005-06	Supreme Court
		0.16*	2004-05	CESTAT
		0.00*	2005-06	Commissioner (Appeals)
Service Tax Act, 1994	Service Tax	1.45	2006-08	CESTAT
		0.02	2005-08	Commissioner (Appeals)
		0.02	2006-07	Commissioner (Appeals)
Income Tax Act, 1961	Income Tax	0.57	2004-05	Commissioner (Appeals)
Income Tax Act, 1961	Income Tax	6.84	2007-08	Commissioner (Appeals)
Total		9.06		

(*) Net of amount ₹ 1.10 Crores 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 institutions, banks and debenture holders.
- (xii) In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society, hence 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 has maintained proper records of transactions and contracts in respect of dealing in 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 Company as mentioned in note 3 (b) (ii) and (iii) of Schedule P. The Guarantees and letter of credit outstanding as at year end are for wholly owned subsidiary Companies, 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, were 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, we are of the opinion that there are no funds raised on short term basis that 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) Securities/Charges 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
(Registration No.: 101720W)

R. KORIA
Partner

Membership No. 35629

Place: Mumbai

Dated: 26th May 2011

BALANCE SHEET AS AT 31ST MARCH, 2011

(₹ in Crores)

	Schedule	As at 31st March, 2011		As at 31st March, 2010	
SOURCES OF FUNDS					
SHAREHOLDERS' FUND					
Share Capital	A	98.26		62.24	
Reserves and Surplus	B	856.07	954.33	672.67	734.91
LOAN FUNDS					
Secured Loans	C	515.16		418.54	
Unsecured Loans	D	606.80	1,121.96	406.47	825.01
DEFERRED TAX LIABILITY (NET)			141.48		132.17
(Refer Note No. 12 of Schedule "P")					
TOTAL			2,217.77		1,692.09
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	E	1,554.96		1,394.17	
Less: Depreciation		413.69		344.77	
Net Block		1,141.27		1,049.40	
Add: Capital work in progress		145.88	1,287.15	91.62	1,141.02
INVESTMENTS					
			443.07		254.59
FOREIGN CURRENCY MONETARY ITEMS TRANSLATION DIFFERENCE ACCOUNT			2.85		3.62
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	G	520.11		346.17	
Sundry Debtors		280.23		254.95	
Cash and Bank Balances		83.26		34.03	
Loans and Advances		352.29		255.09	
			1,235.89	890.24	
LESS : CURRENT LIABILITIES & PROVISIONS					
Current Liabilities	H	613.40		496.79	
Provisions		137.79		100.59	
			751.19	597.38	
Net Current Assets			484.70		292.86
TOTAL			2,217.77		1,692.09
Significant Accounting Policies & Notes on Accounts					
P					

As per our report of even date

For & on behalf of the Board of Directors

For CHATURVEDI & SHAH
Chartered Accountants

B.C. ARYA
Chairman

RAKESH GOTHI
Managing Director

R. KORIA
Partner

P. N. THAKORE
Director- Finance

B.R. GUPTA
Director

UJJWALA APTE
Company Secretary

Place : Mumbai
Date : 26th May, 2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH , 2011

(₹ in Crores)

	Schedule	Year ended 31st March, 2011	Year ended 31st March, 2010
INCOME			
Turnover		3,860.56	2,846.49
Less : Excise Duty Recovered on Sales		302.57	155.18
Net Turnover		3,557.99	2,691.31
Other Income	I	23.28	41.61
Variation in stocks	J	71.31	66.46
TOTAL		3,652.58	2799.38
EXPENDITURE			
Purchases		14.14	60.31
Manufacturing & Other Expenses	K	3,037.02	2,314.10
Personnel	L	44.38	31.58
Selling & Distribution	M	98.97	70.53
Administrative & General	N	29.98	15.75
Interest and Finance Charges	O	163.12	61.89
		3,387.61	2554.16
Profit before Depreciation & Tax		264.97	245.22
Depreciation		73.37	62.21
Profit before tax		191.60	183.01
Provision for Current Tax (including wealth tax of ₹ 0.02 Crore Previous Year ₹ 0.02 Crore)		50.95	42.71
Provision for Deferred Tax		9.31	11.27
Taxes For Earlier Years		(0.08)	0.03
Profit after tax		131.42	129.00
Prior period adjustments		0.11	0.22
Balance as per last Balance sheet		329.13	257.52
Amount available for appropriation		460.44	386.30
APPROPRIATIONS			
Transferred to General Reserve		13.15	12.90
Transferred to Debenture Redemption Reserve		3.25	0.57
Dividend Distribution tax for earlier year written back		(0.14)	–
Proposed Dividend on Preference Shares (₹ 36457 Previous Year ₹ Nil)		0.00	–
Proposed Dividend on Equity Shares		57.32	37.35
Dividend Distribution tax on Proposed Dividend		9.30	6.35
Balance carried to the Balance Sheet		377.56	329.13
		460.44	386.30
Earnings per share (of ₹ 10 each) - (in ₹) Basic		19.53	20.69
(in ₹) Diluted		18.81	19.51
(Refer Note No.11 of Schedule "P")			
Significant Accounting Policies & Notes on Accounts	P		

As per our report of even date

For & on behalf of the Board of Directors

For CHATURVEDI & SHAH
Chartered Accountants

B.C. ARYA
Chairman

RAKESH GOTHI
Managing Director

R. KORIA
Partner

P. N. THAKORE
Director-Finance

B.R. GUPTA
Director

UJJWALA APTE
Company Secretary

Place : Mumbai
Date : 26th May,2011

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 'A' SHARE CAPITAL

(₹ in Crores)

	As at 31st March, 2011	As at 31st March, 2010
AUTHORISED		
100,000,000 (Previous Year 100,000,000) Equity Shares of ₹ 10 each	100.00	100.00
12,500,000 (Previous Year Nil) Cumulative Redeemable Preference Shares of ₹ 100 each	125.00	--
	225.00	100.00
ISSUED, SUBSCRIBED AND PAID UP		
71,647,956 (Previous Year 62,242,448) Equity Shares of ₹ 10 each fully paid up	71.65	62.24
2,661,363 (Previous Year Nil) 2.5% Cumulative Redeemable Preference Shares of ₹ 100 each fully paid up	26.61	--
	98.26	62.24

Note :

- Of the above Equity Shares 182,450 Equity Shares of ₹ 10/- each were issued pursuant to the scheme of Amalgamation of Microsynth Fabrics (India) Limited with the Company as sanctioned by Hon'ble High Court of Judicature at Mumbai vide its order dated 23rd October, 2008.
- During the year the Company has allotted:
 - 3,558,333 (Previous year Nil) Equity Shares of ₹ 10 each fully paid up to Foreign Currency Convertible Bond (FCCB) holders on exercise of option at a premium of ₹ 80/-per Share.
 - 5,290,471 (Previous year Nil) Equity Shares of ₹ 10 /-each fully paid up to Qualified Institutional Buyers at a premium of ₹ 147.15/-per Share.
 - 556,704 (Previous Year Nil) equity shares of ₹ 10/-each fully paid up on exercise of option by ESOS holders.
- The ESOS holders have the option to apply for one Equity Shares of ₹ 10 each fully paid up. (Refer Note No. 26 of Schedule "P")
- As approved by the Shareholders' in their meeting held on 24th March, 2011, the Company has allotted 2,661,363 2.5% Cumulative Redeemable Preference Shares (CRPS) of ₹ 100 each fully paid up aggregating to ₹ 26.61 Crores in first tranche to Bank of India in pursuant to line of credit approved by the bank to fund derivative losses. These CRPS are redeemable at par on 30th September, 2018.

SCHEDULE 'B' RESERVE AND SURPLUS

(₹ in Crores)

	As at 31st March, 2011	As at 31st March, 2010
CAPITAL RESERVE		
As per last Balance Sheet	10.62	10.62
SECURITIES PREMIUM		
As per last Balance Sheet	280.84	272.90
Add : Received on issue of Shares	111.30	--
Add : Redemption Premium on FCCB reversed on Conversion / buyback	9.32	9.15
	401.46	282.05
Less : Premium payable on redemption of FCCB	--	1.21
Less : Share issue expenses	3.13	--
	398.33	280.84
DEBENTURES REDEMPTION RESERVE		
As per last Balance Sheet	0.57	--
Add: Transferred from Profit and Loss Account	3.25	0.57
	3.82	0.57
GENERAL RESERVE		
As per last Balance Sheet	49.25	36.35
Add : Transferred from Profit and Loss Account	13.15	12.90
	62.40	49.25
EMPLOYEE STOCK OPTION OUTSTANDING		
As per last Balance Sheet	7.18	--
Add: Granted during the year	0.48	7.84
Less: Option lapsed during the year	0.26	0.66
Less: Option Exercised during the year	2.20	--
	5.20	7.18
Less: Deferred Compensation Expenses		
As per last Balance Sheet	4.92	--
Add: Granted during the year	0.48	7.84
Less: Amortised / lapsed during the year	3.54	2.92
	1.86	4.92
	3.34	2.26
PROFIT & LOSS ACCOUNT	377.56	329.13
	856.07	672.67

SCHEDULE 'C' SECURED LOANS

(₹ in Crores)

	As at 31st March, 2011	As at 31st March, 2010
A) Debentures		
Non Convertible Debentures	50.00	50.00
B) Rupee Term Loans		
a) From Banks	303.38	280.95
b) From Financial Institutions	39.88	50.36
	343.26	331.31
C) External Commercial Borrowing	53.28	–
D) Working Capital Loans From Banks	67.90	37.00
E) Vehicle Loans	0.72	0.23
	515.16	418.54

Notes :

- Debentures referred to in (A) above and Rupee Term Loans from Banks & Financial Institutions referred to in (B) 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. Out of the above aggregating to ₹ 343.26 Crores (Previous year ₹ 331.31 Crores) are further secured by Second charge on current assets of the Company situated at Silvassa, Dadra & Nagar Haveli (Union Territory) and at Sarigam, District Valsad, Gujarat.
- Debentures referred to in A above are redeemable at par in one or more installments on various dates with the earliest redemption being on 27th January, 2013 and the last being 27th October, 2014. The debentures are redeemable as follows ₹ 10 Crores in Financial year 2012-13, ₹ 20 Crores in Financial year 2013-14 and ₹ 20 Crores in Financial year 2014-15.
- External Commercial Borrowing referred to in (C) above is to be 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.
- Working Capital Loans as referred to in (D) above aggregating to ₹ 53.21 Crores (Previous year ₹ 35.60 Crores) are secured and ₹ 14.69 Crores (Previous Year ₹ Nil) are to be secured by hypothecation of inventory of Raw Materials, Work in process, Finished goods, Stores and spares, Packing materials and Book Debts and are also secured by way of Second charge on the immovable properties of the company situated at Silvassa, Dadra & Nagar Haveli (Union Territory) and at Sarigam, District Valsad, Gujarat.
- Working Capital Loans as referred to in (D) above aggregating to ₹ Nil (Previous year ₹ 1.40 Crores) are secured by pledge of Fixed Deposits with banks of ₹ 6.20 Crores (Previous year ₹ 2.82 Crores).
- The Loans for vehicle have been secured by specific charge on the vehicles covered under the said loans.
- Of the above, Loans aggregating to ₹ 15.72 Crores (Previous year ₹ 28.67 Crores) are guaranteed by two of the Directors of the Company and ₹ 23.61 Crores (Previous year ₹ 49.80 Crores) are guaranteed by one of the Directors of the company in their personal capacity.

SCHEDULE 'D' UNSECURED LOANS

(₹ in Crores)

	As at 31st March, 2011	As at 31st March, 2010
A. Long Term Loans :		
1) 1.75% Foreign Currency Convertible Bonds	–	31.48
2) Term Loan From a Bank	41.82	–
3) External Commercial Borrowings	220.43	208.08
4) Buyers Credit	25.86	26.20
	288.11	265.76
B. Short Term Loans :		
1) Term Loan From Banks	45.00	35.06
2) Commercial Papers	–	63.24
3) FCNR Loan	26.64	–
4) Buyers Credit	159.79	–
	231.43	98.30
C. Working Capital Loan from Banks	87.26	42.41
	606.80	406.47

Note :

- The Company had issued 3450 Foreign Currency Convertible Bonds of USD 10,000 each as referred to in A (1) above on 30th November, 2005 redeemable at a premium of USD 3413.4 per Bond on 1st December, 2010 with an option to bond holders to convert each bond in 5083.33 Equity Shares aggregating to 1,75,37,500 Equity Shares of ₹ 10/- each at any time on or after 30th December, 2005 and prior to the close of business on 1st November, 2010. During the year on exercise of option by all Bond holders in respect of outstanding Bonds, Company has allotted 35,58,333 (Previous Year Nil) Equity Shares of ₹ 10 each fully paid up. No FCCB were outstanding as at 31st March, 2011.
- Maximum balance of Commercial Papers outstanding at any time during the year ₹ 63.24 Crores (Previous Year ₹ 73.03 Crores).
- Long Term Loans referred to in A (2) above aggregating to ₹ 41.82 Crores (Previous year ₹ Nil Crores) are guaranteed by one of the Directors of the Company in his personal capacity and out of above ₹ 15.21 Crores (Previous Year ₹ Nil) is convertible at the option of the company into Equity Shares by September, 2013.

SCHEDULE - 'E'
FIXED ASSETS

(₹ in Crores)

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As At 01/04/2010	Additions/ Adjustments	Deductions/ Adjustments	As at 31/03/2011	Up to 31/03/2010	For the year	Deductions/ Adjustments	Up to 31/03/2011	As At 31/03/2011	As At 31/03/2010
Tangible :										
Leasehold Land	1.60	--	--	1.60	0.06	0.02	--	0.08	1.52	1.54
Freehold Land	27.29	--	--	27.29	--	--	--	--	27.29	27.29
Buildings	180.97	11.84	--	192.81	27.22	6.23	--	33.45	159.36	153.75
Plant & Machineries	1,167.51	157.52	8.98	1,316.05	309.32	65.82	3.57	371.57	944.48	858.19
Furniture & Fixtures	6.68	0.33	0.03	6.98	2.66	0.41	0.01	3.06	3.92	4.02
Office Equipment	1.53	0.12	0.10	1.55	0.39	0.09	0.03	0.45	1.10	1.14
Vehicles	3.11	0.99	1.07	3.03	1.35	0.25	0.75	0.85	2.18	1.76
Data Processing Equipment	3.78	0.17	0.10	3.85	2.62	0.32	0.09	2.85	1.00	1.16
Intangible:										
Software*	1.70	0.10	--	1.80	1.15	0.23	--	1.38	0.42	0.55
Total	1,394.17	171.07	10.28	1,554.96	344.77	73.37	4.45	413.69	1,141.27	1,049.40
Previous Year	1,201.98	193.04	0.85	1,394.17	283.05	62.21	0.49	344.77	1,049.40	--
Capital Work in progress									145.88	91.62

* other than internally generated .

NOTES:

- Buildings include ₹ 8000/- being the value of Shares of Co-operative Societies.
- Net Block of Plant & Machinery includes ₹ 0.20 Crores (Previous year ₹ 0.20 Crores) in respect of Fixed Assets held for disposal.
- Additions to fixed assets & Capital work in Progress are inclusive of loss of ₹ 6.00 Crores (Previous Year gain of ₹ 17.23 Crores) on account of foreign exchange difference during the year.
- Capital work in progress includes :
 - ₹ 6.21 Crores on account of Preoperative expenses (Previous Year ₹ 7.26 Crores).
 - ₹ 26.82 Crores on account of cost of construction material at site (Previous Year ₹ 29.42 Crores)
 - ₹ 29.46 Crores on account of advances against capital expenses (Previous year ₹ 30.98 Crores)

SCHEDULE 'F' INVESTMENTS

(₹ in Crores)

	Face Value (₹ unless other wise stated)	As at 31 st March 2011		As at 31st March 2010	
		No. of Shares/ Units	₹ in Crores	No. of Shares/ Units	₹ in Crores
A. Long Term Investments					
1 Trade Investments - Unquoted					
SUBSIDIARY COMPANY					
Equity Shares- Fully Paid Up					
JBF Global PTE. Ltd.	\$S 1	46,091,003	123.64	46,091,003	123.64
Preference Shares -Fully paid up					
JBF Global PTE. Ltd.	\$5.69	7,436,253	191.48	-	-
2 Other than Trade Investments					
a. Unquoted					
(i) Equity Shares- Fully Paid Up					
Sumex Overseas Ltd.	10	15,000	-	15,000	-
Planet 41 Mobi Venture Ltd	10	360,000	1.95	360,000	1.95
Ansaj Townships Hi Tech Ltd *	10	3,568	0.03	3,568	0.03
Ananta Landmarks Pvt Ltd*	10	1,999	0.00	1,999	0.00
In ₹19,990 (Previous Year ₹19,990)					
Total Environment Project Pvt Ltd *	10	150	0.00	150	0.00
In ₹1,500 (Previous Year ₹1,500)					
Nitesh Hosing Developers Pvt Ltd *	10	282	0.01	282	0.01
Runwal Homes Private Ltd *	10	223	0.03	223	0.03
VBHDC Bangalore Value Homes Pvt Ltd *	10	60	0.00	60	0.00
In ₹ 600 (Previous Year ₹ 600)					
BCC Infrastructure Private Ltd *	10	59	0.00	59	0.00
In ₹ 590 (Previous Year ₹ 590)					
Godrej Estate Dev Pvt Ltd *	10	16	0.03	16	0.03
Godrej Sea View Proproperties Pvt Ltd *	1	141	0.03	64	0.01
VBHDC Delhi Value Homes Pvt Ltd *	10	26	0.00	-	-
In ₹ 260 (Previous Year ₹ NIL)					
Kunal Spaces Pvt Ltd *	10	54	0.00	-	-
In ₹ 540 (Previous Year ₹ NIL)					
VBHC Chennai Value Homes Pvt Ltd *	10	26	0.00	-	-
In ₹ 260 (Previous Year ₹ NIL)					
(ii) Preference Shares- Fully Paid Up *					
Ananta Landmarks Pvt Ltd	10	477	0.05	477	0.05
Neo Pharma Pvt Ltd	10	78	0.01	78	0.01
BCC Infrastructure Pvt. Ltd	10	172	0.00	172	0.00
In ₹ 1720 (Previous Year ₹ 1,720)					
Ekta World Pvt Ltd	1	505	0.00	-	-
In ₹ 505 (Previous Year ₹ NIL)					
(iii) Debenture- Fully Paid Up *					
Ansaj Townships Hi Tech Ltd	100	-	-	6,296	0.06
Nilkanth Tech Park Pvt Ltd	100	-	-	7,657	0.08
Total Environment Project I- Deb-I	100	3,978	0.04	3,553	0.04
Total Environment Building Pvt. Ltd	100	6,976	0.07	5,595	0.06
Total Environment Habitate Pvt. Ltd -OCD	100	6,766	0.07	-	-
Atithi Building Commodities Pvt Ltd	1,000	738	0.07	738	0.07
Aristo Realtors Private Ltd	1,000	964	0.10	681	0.07
Nitesh Housing Developers Pvt Ltd	100	3,423	0.03	3,423	0.03
Nitesh Land Holding Pvt Ltd	100	1,104	0.01	1,104	0.01
Runwal Homes -Debentures -Class A	100	7,541	0.08	7,541	0.08
Runwal Homes -Debentures-Class B	100	3,416	0.03	3,416	0.03
ATS Apartments Pvt Ltd	100	2,811	0.03	2,811	0.03
VBHDC Bangalore Value Homes Pvt Ltd	100	1,351	0.01	1,351	0.01
BCC Infrastructures Pvt Ltd	100	1,691	0.02	1,691	0.02
Kanakia Builders Pvt Ltd	100	-	-	2,331	0.02
BCC Infrastructures Pvt Ltd- Class A	100	6,276	0.06	-	-

	Face Value (₹ unless other wise stated)	As at 31 st March 2011		As at 31st March 2010	
		No. of Shares/ Units	₹ in Crores	No. of Shares/ Units	₹ in Crores
VBHDC Delhi Value Homes Pvt Ltd	100	1,376	0.01	-	-
Ekta World Pvt Ltd Deb Class A Ser I	100	1,256	0.01	-	-
Ekta World Pvt Ltd Deb Class A Ser II	100	1,211	0.01	-	-
Kunal Spaces Pvt Ltd Class A	100	1,567	0.02	-	-
VBHC Chennai Value Homes Pvt. Ltd	100	1,701	0.02	-	-
Dharmesh Constraction Pvt Ltd- OCD	100	2,861	0.03	-	-
Marvel Realtors Developers Series I	100	1,944	0.02	-	-
Marvel Realtors Developers Series II	100	1,967	0.02	-	-
Runwal Township Pvt Ltd	100	10,456	0.10	-	-
Bhaveshwar Properties Pvt Ltd	100	5,457	0.05	-	-
Arimas Developers Pvt Ltd Class A	100	2,523	0.03	-	-
b. Quoted					
(i) Equity Shares- Fully Paid Up					
Allied Digital Services Ltd.	5	48,000	0.29	48,000	0.29
B. Current Investment Other than Trade Investments					
(a) Equity Shares- Fully Paid Up-Quoted					
Wockhardt Ltd.	5	-	-	36,000	0.50
Larsen & Toubro Ltd	2	9,000	1.32	9,000	1.32
(b) Units -Fully Paid up - Unquoted					
HDFC- CM Treasury Advantage Plan-WD *	10	617,501	0.62	501,492	0.50
LICMF Floating Rate Fund - Short Term Plan Weekly	10	-	-	5,272,933	5.35
LICMF Floating Rate Fund - Short Term Plan Daily Dividend Plan	10	-	-	106,523,512	106.52
DSPBR Micro Cap Fund- Regular Growth	10	-	-	1,000,000	1.00
U251IR UTI-India Lifestyle Fund - Dividend Plan- Payout	10	-	-	1,650,000	1.65
Birla Sunlife Ultra Short Term Fund Institutional Weekly Dividend Plan	10	77,374	0.08	73,361	0.07
Birla Sunlife Dynamic Bond Fund-Retail Plan- Monthly Dividend	10	-	-	480,585	0.50
Birla Sunlife Saving Fund-Institutional Plan- Daily Dividend	10	-	-	2,004,404	2.01
Birla Sun Life G Sec Fund Long Term Growth	10	1,988,081	5.50	-	-
Birla Sun Life Frontline Equity Fund - Plan A- Growth	10	287,119	2.25	-	-
Birla Sun Life Fixed Term Plan - Series Cn- Growth	10	5,321,660	5.32	-	-
HDFC Cash Management Fund- Treasury Advantage-Wholesale Plan-Daily Dividend Reinvestment - ₹ 37867 (Previous Year ₹ 2.5 crores)	10	3,775	0.00	2,498,019	2.50
HDFC Prudence Fund- Growth	10	267,314	5.33	-	-
HDFC Top 200 Fund- Growth	10	259,616	5.25	-	-
HDFC MIP- Long Term- Growth	10	2,296,958	5.00	-	-
HDFC 370D November 2010(2) Growth- Series XVII	10	2,180,306	2.18	-	-
HDFC Quartely Interval Fund Plan B- Wholesale Dividend	10	25,180,086	25.21	-	-
ICICI Prudential Flexible Income Plan- Premium- Daily Dividend Re-Investment	100	-	-	234,157	2.48
ICICI Prudential Annual Interval Plan I Institutional Growth	10	2,997,901	3.00	-	-
ICICI Prudential FMP Series 53- 1 Year Plan B Growth	10	2,000,000	2.00	-	-
ICICI Prudential FMP Series 53- 1 Year Plan C Growth	10	1,000,000	1.00	-	-
ICICI Prudential FMP Series 53- 1 Year Plan F Growth	10	8,060,000	8.06	-	-
Reliance Medium Term Fund- Weekly Dividend- Reinvestment Plan	10	12,230	0.02	11,623	0.02
Reliance Medium Term Fund-Daily Dividend Reinvestment	10	-	-	1,465,805	2.51
Reliance Regular Saving Fund- Debt Institutional Plan- Dividend Reinvestment Option	10	1,664,016	2.04	-	-
DSP Black Raok Focus 25 Fund- Growth	10	1,250,000	1.25	-	-
IDFC Money Manager Fund-Treasury Plan- Plan-C-Daily Dividend Reinvestment	10	23,141	0.02	-	-
IDFC Imperial Equity Fund- Plan B Growth	10	846,264	1.25	-	-
IDFC Small & Midcap Equity Fund- Growth	10	1,162,121	2.00	-	-
IDFC Fixed Maturity Yearly Series-32 Growth	10	3,000,000	3.00	-	-
IDFC FMP -Half Yearly Series 12- Dividend Payout	10	2,000,000	2.00	-	-
IDFC FMP-Yearly Series 36- Growth	10	5,315,000	5.32	-	-
IDFC FMP- Yearly Series 35- Growth	10	1,000,000	1.00	-	-
IDFC FMP -Yearly Series 37- Growth	10	6,080,000	6.08	-	-
Templeton India Income Opportunities Fund - Growth	10	5,684,914	6.00	-	-

	Face Value (₹ unless other wise stated)	As at 31 st March 2011		As at 31st March 2010	
		No. of Shares/ Units	₹ in Crores	No. of Shares/ Units	₹ in Crores
Morgan Stanley A.C.E Fund - Growth	10	1,945,147	2.92	-	-
Kotak FMP 370 Days Series 9- Growth	10	5,000,000	5.00	-	-
Kotak FMP Series 29- Growth	10	6,300,000	6.30	-	-
Kotak FMP Series 32- Growth	10	2,000,000	2.00	-	-
BSL Dynamic Bond Reinvestment Growth Option	10	642,374	1.01	-	-
HDFC MIP Long Term Plan Growth	10	1,146,563	2.50	-	-
Reliance MIP Long Term Plan Growth	10	723,865	1.50	-	-
BOB Pioneer Short term Bond Fund- Dividend Plan	10	1,010,340	1.01	-	-
ICICI Prudential Fusion fund Series 2 - Growth	10	-	-	1,000,000	1.00
Baroda Pioneer PSU Equity Fund- Dividend Plan	10	250,000	0.22	-	-
Total			443.07		254.59

* Represents Investments made through Portfolio Manager and held by them in a fiduciary capacity on behalf of the Company (Refer Note No. 28 of Schedule "P")

Notes: (i) Investments are Net of provisions for diminution in value by ₹ 0.10 Crores (Previous Year ₹ 0.83 Crores)

(ii) AGGREGATE VALUE OF	As at 31st March, 2011		As at 31st March, 2010	
	Book Value	Market Value	Book Value	Market Value
Quoted Investment	1.61	1.90	2.11	2.95
Unquoted Investment	441.46	-	252.48	--

(iii). INVESTMENTS PURCHASED AND SOLD DURING THE YEAR

MUTUAL FUND UNITS

	Face Value (₹)	No. of Shares/ Units	Cost (₹ In Crores)
HDFC Cash Management Fund- Treasury Advantage-Wholesale Plab-Daily Dividend Reinvestment	10	1,266,081	1.27
HDFC- CMS Plus Weekly Dividend	10	997,511	1.00
HDFC- CMS Plus Daily Dividend	10	21,785	0.02
HDFC- CMS Growth Fund	10	372,005	0.75
LICMF Floating Rate Fund - Short Term Plan - Weekly Dividend Plan	10	189,331	0.19
Birla Sunlife Dynamic Bond Fund-Retail Plan- Monthly Dividend	10	7,339,483	7.66
Birla Sunlife Saving Fund-Institutional Plan- Daily Dividend	10	18,410,005	18.42
Birla Income Plus- Dividend	10	1,762,620	2.00
HDFC Cash Management Fund- Treasury Advantage-Wholesale Plab-Daily Dividend Reinvestment	10	24,579,928	24.66
HDFC High Interest Fund- Short Term Plan- Dividend Reinvestment	10	9,605,896	10.18
HDFC Short Term Opportunities Fund Div Option- Reinvestment	10	3,014,490	3.01
HDFC FMP 100D September 2010(1) Div Series XIV	10	2,500,000	2.50
HDFC FMP 35D August 2010(3) Div Series XIV	10	2,000,000	2.00
HDFC Fmp 35D September 2010(3) Div Series XIV	10	2,000,000	2.00
HDFC Gilt Fund Long Term - Dividend	10	23,849,728	25.11
ICICI Prudential Flexible Income Plan- Premium- Daily Dividend Re-Investment	100	1,104,138	11.67
Reliance Medium Term Fund-Daily Dividend Reinvestment	10	7,403,334	12.66
Reliance Diversified Power Sector Fund - Retail Growth Plan- Growth Option	10	167,894	1.25
Reliance Quarterly Interval Fund Series li - Institutional Dividend Plan	10	2,998,711	3.00
Reliance Fixed Horizon Fund- Xv Series 2- Dividend Plan	10	3,000,000	3.00
DSP BlackRock Money Manager Fund - Institutional Plan-Daily dividend Reinvestment	10	126,308	12.64
IDFC Money Manager Fund-Treasury Plan- Plan-C-Daily Dividend Reinvestment	10	27,635,855	27.64
IDFC Super Saver Income Fund - Medium Term- Plan B (Institutional Plan)-DIV	10	3,564,847	4.07
Franklin Templeton India Short Term Income -Retail Plan- Monthly Div Reinv	10	36,357	4.08
LIC MF Liquid Fund-Dividend Plan	10	142,549,219	156.52
LIC MF Floating Rate Fund - Short Term Plan - Daily Dividend Plan	10	189,797,962	189.80
IDFC SSI Medium Term Plan -A Growth	10	1,864,657	3.00
BSL Dynamic Bond	10	1,262,794	1.99

SCHEDULE 'G'

CURRENT ASSETS, LOANS AND ADVANCES

(₹ in Crores)

	As at 31st March, 2011	As at 31st March, 2010
CURRENT ASSETS		
INVENTORIES		
(As taken, valued and certified by the Management)		
Stores, Spares and Consumables	13.86	11.31
Raw Materials	268.75	168.67
Stock in Process	28.25	18.59
Finished Goods	209.25	147.60
	520.11	346.17
SUNDRY DEBTORS		
(Unsecured, Considered good and Subject to Confirmation)		
Due for a period exceeding Six months		
Considered Good	20.73	26.78
Considered Doubtful	1.12	1.12
	21.85	27.90
Less : Provision for doubtful debts	1.12	1.12
	20.73	26.78
Others	259.50	228.17 *
	280.23	254.95
* Includes ₹ 2.51 Crores (Previous Year ₹ 23.42 Crores due from JBF RAK LLC, a subsidiary Company)		
CASH AND BANK BALANCES		
Cash on hand	0.06	0.04
BALANCE WITH BANKS :		
In Current Accounts :		
With Scheduled Banks	14.08	10.02
With Non -Scheduled Bank #	0.00	0.00
₹ 13409 (Previous Year ₹ 3507)		
In Margin Deposit Accounts :		
With Scheduled Banks	14.77	12.67
In Fixed Deposit Accounts		
With Scheduled Banks*	54.35	11.30
# Includes :		
(i) balance with Citi Pvt. Bank, Singapore ₹ 3465 (Previous Year ₹ 3507). Maximum balance at any time during the year ₹ 3620 (Previous Year ₹ 3967).		
(ii) balance with DBS Bank Ltd. ₹ 9944 (Previous Year ₹ Nil). Maximum balance at any time during the year ₹ 9944 (Previous Year Nil).		
* Includes ₹ 6.20 Crores (Previous Year ₹ 2.82 Crores) pledged with Banks against the Credit facilities.		
	83.26	34.03
LOANS AND ADVANCES		
(Unsecured and Considered good unless otherwise stated)		
Subsidiary Company #	40.43	35.59
Advances Recoverable in cash or kind or for value to be received	175.35	93.95
Considered Good*	0.08	0.08
Considered Doubtful	175.43	94.03
Less : Provision for doubtful advances	0.08	0.08
	175.35	93.95
MAT Credit Entitlement	--	0.89
Less : Utilised during the year	--	0.89
	--	--
Balance with Excise Authorities	80.80	81.80
Income Tax- Advance Tax & TDS (Net)	55.71	43.75
	352.29	255.09
	1,235.89	890.24
# Includes ₹ Nil (Previous Year ₹ 30.34 Crores) towards share application money pending allotment.		
* Includes ₹ 47.00 Crores (Previous Year ₹ Nil) as secured.		

SCHEDULE 'H'

CURRENT LIABILITIES AND PROVISIONS

(₹ in Crores)

	As at 31st March, 2011		As at 31st March, 2010	
CURRENT LIABILITIES				
Acceptances #	415.32		312.16	
Sundry Creditors - Micro and Small Enterprises (Refer Note No. 29 of Schedule "P")	1.11		2.94	
- Others *	176.25		148.20	
Investor Education and Protection Fund -Unclaimed Dividend @	0.81		0.57	
Advance From Customers	4.62		3.82	
Other Liabilities \$	11.44		15.95	
Interest/Premium accrued but not due on Loans	3.85	613.40	13.15	496.79
PROVISIONS :				
Provision for Tax	50.95		42.71	
Provision for Staff Benefit Schemes	4.92		4.08	
Other Provisions **	15.30		10.10	
Proposed Dividend on Preference Shares ₹ 36457/- (Previous Year ₹ Nil)	0.00		-	
Proposed Dividend on Equity Shares	57.32		37.35	
Provision for Dividend Distribution Tax	9.30	137.79	6.35	100.59
		751.19		597.38

includes for Capital expenditure ₹ 8.41 Crores (Previous Year ₹ 30.36 Crores)

* includes for Capital expenditure ₹ 17.71 Crores (Previous Year ₹ 9.50 Crores) & ₹ 0.76 Crores (Previous Year ₹ 0.01 Crores) payable to Subsidiary company

@ Do not include any amounts, due & outstanding, to be credited to Investor Education & Protection Fund.

\$ Includes ESOS application money pending allotment ₹ 84,000 (Previous Year ₹ Nil).

** 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, 2010 of ₹ 10.10 Crores as per the estimated pattern of Despatches. During the year ₹ 10.05 Crores was utilised for clearance of goods. Liability recognised under this class as at 31st March, 2011 is ₹ 15.30 Crores. Actual outflow is expected in the next financial year.

SCHEDULE - FORMING PART OF PROFIT AND LOSS ACCOUNT

SCHEDULE 'I'

OTHER INCOME

(₹ in Crores)

	Year Ended 31st March, 2011	Year Ended 31st March, 2010
Dividend - on long term investments	0.01	0.03
- on current investments	3.90	1.99
Interest received - from long term investments	0.06	0.03
- from Others	8.09	4.47
(Tax Deducted at source ₹ 0.82 Crores (Previous Year ₹ 0.36 Crores))		
Extinguishment of Liability on Buyback of FCCB	--	17.46
Profit on Sales of Current Investments (Net)	0.65	--
Reversal of provision for Diminution in value of Current Investment	0.73	4.23
Sundry Credit Balances Written Back (Net)	4.88	--
Rent	0.09	0.09
Insurance claim	0.03	1.37
Exchange Difference (Net)	--	10.56
Miscellaneous income	4.84	1.38
	23.28	41.61

SCHEDULE 'J' VARIATION IN STOCKS

(₹ in Crores)

	Year Ended 31st March, 2011		Year Ended 31st March, 2010	
Stocks at commencement :				
Stock-in-process	18.59		14.99	
Finished goods	147.60	166.19	84.74	99.73
Stocks at close :				
Stock-in-process	28.25		18.59	
Finished goods	209.25	237.50	147.60	166.19
		71.31		66.46

SCHEDULE 'K' MANUFACTURING AND OTHER EXPENSES

(₹ in Crores)

	Year Ended 31st March, 2011		Year Ended 31st March, 2010	
Raw Material Consumed				
Opening Stock	168.67		130.58	
Add : Purchases	2,922.46		2,176.64	
	3,091.13		2,307.22	
Less : Consumption during trial run	0.64		1.53	
Less : Closing Stock	268.75	2,821.74	168.67	2,137.02
Stores & Spare		9.98		6.86
Colours, Chemicals, Oils & Lubricants		20.87		14.76
Power & Fuel		161.25		134.50
Repairs & Maintenance				
Plant & Machinery	1.49		1.59	
Building	0.42	1.91	0.39	1.98
Excise Duty		5.29		7.47
Security Charges		1.06		1.04
Labour Charges		9.11		6.34
Other Manufacturing Expenses		5.81		4.13
		3,037.02		2,314.10

SCHEDULE 'L' PERSONNEL

(Including Managerial Remuneration)

(₹ in Crores)

	Year Ended 31st March, 2011		Year Ended 31st March, 2010	
Salaries, Wages, Bonus and Commission	34.35		23.77	
Contribution to Provident Fund, ESIC and other Funds	2.02		1.24	
Gratuity	0.71		1.01	
Employee Stock Option Cost	3.28		2.26	
Employees Welfare and Other Amenities	4.02		3.30	
		44.38		31.58

SCHEDULE 'M' SELLING AND DISTRIBUTION

(₹ in Crores)

	Year Ended 31st March, 2011	Year Ended 31st March, 2010
Packing Material Consumed	61.47	40.27
Sales Promotion & Advertising Expenses	0.42	0.29
Freight & Forwarding Charges (Net)	26.99	22.29
Brokerage & Commission	10.09	7.68
	98.97	70.53

SCHEDULE 'N' ADMINISTRATIVE AND GENERAL

(₹ in Crores)

	Year Ended 31st March, 2011	Year Ended 31st March, 2010
Rent	4.17	3.15
Rates & Taxes (Net)	0.26	0.24
Insurance	1.19	0.48
Repairs & Maintenance-others	1.26	0.92
Travelling and Conveyance Expenses	2.51	2.57
Legal, Professional and Consultancy Charges	3.19	1.54
Payment to Auditors'	0.35	0.28
Donation	0.23	0.44
Provision for Doubtful Debts	--	1.12
Sundry Debit Balances W/off (Net)	--	0.15
Exchange Difference (Net)	7.26	--
Loss on Sale of Current Investments (Net)	--	0.76
Loss on sale of Fixed Assets (Net)	4.00	0.22
General Expenses*	5.56	3.88
	29.98	15.75

*General Expenses includes Directors sitting Fees ₹ 0.05 Crores (Previous Year ₹ 0.07 Crores)

SCHEDULE 'O' INTEREST & FINANCE CHARGES

(₹ in Crores)

	Year Ended 31st March, 2011	Year Ended 31st March, 2010
Interest on		
Bonds & Fixed Loans	59.95	38.89
Others	9.79	13.01
Finance & Bank Charges	9.29	9.99
Currency & Interest rate Swap Loss	84.09	--
(Refer Note No 25 of Schedule " P ")		
	163.12	61.89

SCHEDULE 'P'**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS:****1. SIGNIFICANT ACCOUNTING POLICIES:****A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

Financial statements have been prepared as a going concern basis under historical cost convention, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the Company.

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 result 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 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 profit and loss account.

E. INTANGIBLE ASSETS

Intangible assets are stated at cost of acquisition less accumulated amortization. Computer Software is amortized 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 existing plants.

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 profit & loss account in the year in which an asset is identified as impaired. The impairment loss recognized 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 of Finished Goods, Work-in-Process etc., are stated at lower of cost or 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 stated at cost 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 recognized as exchange difference in the profit and loss account and the premium paid on forward contracts has been recognized 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 profit and loss account over the balance life of the long term monetary item, however that the period of amortization does not extend beyond 31st March, 2012.
- iv. All other exchange difference are dealt with in the profit & loss account.
- v. Non monetary foreign currency items are carried at cost.

K. DERIVATIVE INSTRUMENTS

Financial Derivative Contracts are accounted on the date of their settlement and realized gain/loss in respect of settled contracts are recognized in the Profit & Loss Account.

L. ISSUE EXPENSES

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

M. PREMIUM ON REDEMPTION OF BONDS

Premium payable on redemption of Bonds is provided for over the life of the Bonds. The Securities Premium Account is applied in providing for premium on redemption on Bonds in accordance with Section 78 of The Companies Act, 1956. On conversion of the Bonds into equity shares & on cancellation of the same, the redemption premium is reversed.

N. REVENUE RECOGNITION

Revenue from sale of goods is recognised when significant risk and rewards of ownership of the goods have passed to the buyer. Turnover includes sale of goods, waste, export Incentive 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.

O. 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.

P. 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.

Q. EXPORT INCENTIVES

- i. Benefit on account of entitlement to Import duty free materials under the "Duty Exemption pass book Scheme/Focus Market Scheme/Focus Product scheme" is recognized as and when right to receive are established as per the terms of the scheme.
- ii. The Benefits in respect of Advance Licence received by the Company against the Export made by it are recognized as and when goods are imported against them.
- iii. The Benefit in respect of Duty Drawback is recognised at the time of exports.

R. 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 Profit and Loss Account.
- 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 Profit & Loss Account of the year when the contributions to the respective funds are due.

S. 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.

T. 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. NOTES ON ACCOUNTS :**1. Managerial Remuneration :**

	Current year	Previous Year
a) Salary *	4.16	3.82
b) Commission	1.90	1.65
c) Other Benefits	0.33	0.39
	6.39	5.86

*Salary Includes Contribution to Provident Fund ₹ 39,000 (Previous Year ₹ 39,000).

- i. Liability for Gratuity and Leave Encashment is provided on actuarial basis for the Company as a whole, the amount pertaining to directors is not ascertainable and, therefore, not included above.
- ii. The benefit value in respect of Nil (Previous Year 1,35,000) stock options granted to the full time & executive directors is not considered for the above purpose.

2. Computation of net profit in accordance with Section 349 of the Companies Act, 1956 in respect of commission payable to Chairman:

(₹ in Crores)

	Current Year	Previous Year
Profit before tax	191.60	183.01
Add : Depreciation as per Accounts	73.37	62.21
Managerial remuneration to Chairman, MD & Executive Directors	6.39	5.86
Directors Sitting Fees	0.05	0.07
Loss on Sale of Fixed Assets (net)	4.00	0.22
Loss on Sale of Investments (Net)	-	0.76
Provision for Doubtful Debts	-	1.12
	275.41	253.25
Less : Depreciation As per Section 350 of the Companies Act, 1956	73.37	62.21
Extinguishment of Liability on Buyback FCCB	-	17.46
Reversal of Provision for Diminution in value of Current Investment	0.73	4.23
Profit on Sale of Investments (net)	0.65	-
Net profit for the year	200.66	169.35
Commission maximum as per terms of appointment	2.00	1.69
Commission to Chairman as determined by Board of Directors	1.90	1.65

3. Additional Information

(₹ in Crores)

	Current Year	Previous Year
a) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advances) (Cash outflow is expected on execution of such capital contracts, on progressive basis)	11.48	48.50
b) Contingent Liabilities :		
I Guarantees issued by the Bankers (Bank guarantees are provided under contractual/legal obligation. No cash outflow is expected.)	190.06	180.31
II Letter of Credit includes ₹ 157.62 Crores (Previous year ₹ 41.60 Crores) extended for Subsidiary Company. (Letter of Credit amounting to ₹ 18.20 Crores (Previous Year ₹ 61.24 Crores) 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.)	175.82	102.84
III Corporate Guarantee to banks against the Letter of credit facility to Subsidiary Company. (No Cash outflow is expected)	531.73	215.88
IV Export Bill Discounting (No Cash outflow is expected)	--	9.05
V Demands not acknowledged as debts		
(i) Income Tax (No cash outflow is expected.)	7.41	0.94
(ii) Excise Duty (No cash outflow is expected.)	1.26	1.76
(iii) Service Tax (No cash outflow is expected.)	1.49	1.49
(iv) Others	0.09	0.09

4. Payment to Auditors :

(₹ in Crores)

Particulars	Current Year	Previous Year
Audit Fees	0.27	0.21
Tax Audit Fees	0.07	0.06
Certification Charges	*0.08	0.01
Out of Pocket Expenses - (Previous Year ₹ 23428)	0.01	0.00
	0.43	0.28

* ₹ 0.07 Crores (Previous Year ₹ Nil) Considered as Share issue Expenses

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, 2011.
6. As approved by the shareholders at their meeting held on 5th March, 2010, during the year 52,90,471 Equity Shares of ₹ 10 each fully paid up at a premium of ₹ 147.15 per share have been allotted to Qualified Institutional Buyers. Net issue proceed received has been fully utilised towards additional working capital and investments in subsidiary company.
7. Advances recoverable in cash or in kind or for value to be received includes ₹ NIL (Previous Year ₹ Nil Crores) due from a firm in which one of the Directors' is interested as a partner. The maximum amount outstanding at any time during the year was ₹ Nil crores (Previous Year ₹ 0.60 Crores)

8. 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 RAK LLC.

III. Key Managerial Personnel :

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

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

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

IV. 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. Akansha P. Thakore Relative of Shri P.N. Thakore

V. Transactions with related parties during the year

(₹ in Crores)

SR NO	Particulars	Subsidiary Companies		Enterprises over which the key Managerial personnel has Significant Influence		Key Managerial Personnel		Relatives of key Managerial Person		Total	
		2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
1	Share Application Money										
	a) Opening Balance	30.34	30.34	--	--	--	--	--	--	30.34	30.34
	b) Refunded/ Adjusted during the year	30.34	--	--	--	--	--	--	--	30.34	--
	c) Balance as at 31.03.2011	--	30.34	--	--	--	--	--	--	--	30.34
2	Loan & Advances										
	a) Opening Balance	5.25	3.33	--	0.60	--	--	--	--	5.25	3.93
	b) Given during the year	243.90	12.14	--	--	--	--	--	--	243.90	12.14
	c) Refunded/ Adjusted during the year	208.72	10.22	--	0.60	--	--	--	--	208.72	10.82
	d) Balance as at 31.03.2011	40.43	5.25	--	--	--	--	--	--	40.43	5.25
3	Investment										
	a) Opening Balance	123.64	123.64	--	--	--	--	--	--	123.64	123.64
	b) Subscribed during the year	191.48	--	--	--	--	--	--	--	191.48	--
	c) Investment as at 31st March,2011	315.12	123.64	--	--	--	--	--	--	315.12	123.64
4	Sundry Debtors as at 31st March ,2011	2.51	23.42	--	--	--	--	--	--	2.51	23.42
5	Sundry Creditors as at 31st March ,2011	0.76	0.01	1.04	0.39	--	--	--	--	1.80	0.40
6	Dividend Paid	--	--	2.34	1.95	14.07	11.68	1.31	1.09	17.72	14.72
7	Income										
	Sales	78.28	49.28	--	--	--	--	--	--	78.28	49.28
	Interest and Miscellaneous Income	2.86	2.46	--	--	--	--	--	--	2.86	2.46
8	Expenditure										
	Purchases	33.79	78.35	32.51	21.15	--	--	--	--	66.29	99.50
	Remuneration/ Sitting Fees	--	--	--	--	6.39	5.86	0.06	0.06	6.45	5.92
9	Equity Shares allotted on exercise of ESOS	--	--	--	--	0.14	--	--	--	0.14	--
10	Guarantees given & Letter of Credit Facility extended	689.35	257.48	--	--	--	--	--	--	689.35	257.48

Notes to Related Party Transactions:

- i. Loans & Advances includes ₹ 38.99 Crores & ₹ 1.44 Crores Loan given to JBF Global Pte. Ltd. & JBF RAK LLC respectively.
 - ii. Investment includes ₹ 315.12 Crores in JBF Global Pte. Ltd.
 - iii. Sundry Debtors includes ₹ 2.51 Crores from JBF RAK LLC.
 - iv. Sundry Creditors includes ₹ 0.76 Crores & ₹ 1.04 crores to JBF RAK LLC & Arya Industries respectively.
 - v. Dividend paid includes ₹ 14.07 Crores & ₹ 2.34 Crores to Mr. B C Arya & Vaidic Resources Pvt. Ltd.
 - vi. Income: Sales includes ₹ 78.28 Crores to JBF RAK LLC. Interest and Miscellaneous Income Includes ₹ 2.43 Crores & ₹ 0.43 Crores from JBF RAK LLC & JBF Global Pte. Ltd respectively .
 - vii. Expenditures: Purchases include ₹ 33.79 Crores & ₹ 32.51 Crores from JBF RAK LLC & Arya Industries respectively. Remuneration include ₹ 5.37 Crores and ₹ 0.55 Crores paid to Mr.B C Arya & Mr.Rakesh Gothi respectively.
 - viii. Guarantees provided by the Company includes ₹ 531.73 Crores given to bankers on behalf of JBF RAK LLC.
 - ix. Letter of credit facility extended by the Company includes ₹ 133.20 Crores & ₹ 24.42 Crores on behalf of JBF Global Pte. Ltd. & JBF RAK LLC respectively.
9. In accordance with the Clause 32 of Listing Agreement,
- a) Loans & Advances given in the nature of loans :

(₹ in Crores)

Sr. No.	Name of the Company		As at 31st March, 2011	As at 31st March, 2010	Maximum balance during the year
1	JBF RAK LLC	Subsidiary	--	4.42	4.86
2.	JBF GLOBAL PTE. LTD.	Subsidiary	38.99	--	233.16

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

c) Investment by the loanee in the share of the Subsidiary Company i.e. JBF Rak LLC : 237159 Shares

10. In the opinion of the management, the company is engaged only in the business of producing polyester based products. As such, there are no separate reportable segments.

11. Earning Per Share (Basic & Diluted):

(₹ in Crores)

	Current Year	Previous Year
Net profit after tax	131.42	129.00
Prior period adjustment	0.11	0.22
Proposed Dividend on preference Shares- ₹ 36457 (Previous Year ₹ Nil)	0.00	-
Net profit after tax attributable to Equity Share holders for Basic EPS	131.31	128.78
Weighted average no. of equity shares outstanding for Basic EPS	67,240,621	62,242,448
Basic Earning Per Share of ₹ 10 Each (₹)	19.53	20.69
Net profit after tax attributable to Equity Share holders for Basic EPS	131.31	128.78
Add : Interest expenses recognized on Foreign Currency Convertible Bonds net of Tax	-	0.42
Net profit after tax attributable to Equity Share holders for Diluted EPS	131.31	129.20
Weighted average no. of equity shares outstanding for Diluted EPS	69,798,468	66,215,879
Diluted Earning Per Share of ₹ 10 Each (₹)	18.81	19.51

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

	Current Year	Previous Year
Number of Shares Used for calculating Basic EPS	67,240,621	62,242,448
Add : Potential Equity Shares (Foreign Currency Convertible Bonds)	1,403,835	35,58,333
Add:- Potential Equity Shares (JBF ESOS-2009)	1,154,012	415,098
Number of Shares used for Calculating Diluted EPS	69,798,468	66,215,879

Note:- Since long term optionally convertible loan of ₹ 15.21 crores (previous year ₹ Nil) will be converted into such number of equity shares of ₹ 10 each at a price to be determined according to SEBI Rules & Guidelines prevailing at that time, total number of equity shares to be issued on exercise of conversion option is not certain and hence the same has not been considered for the computation of Diluted Earning Per Share.

12. The break up of net deferred tax liability as on 31st March 2011 is as under :

(₹ in Crores)

	As at 31st March, 2011	As at 31st March, 2010
A. Deferred Tax Liability		
Related to fixed assets	143.68	134.53
B. Deferred Tax Assets		
Disallowance under Section 43B of the Income Tax Act 1961	0.78	1.09
Others	1.42	1.27
C. Deferred Tax liability (net)	141.48	132.17

13. The details of Pre-operative expenditure capitalised is as under :

(₹ in Crores)

PARTICULARS EXPENDITURE :	Current Year	Previous Year
Raw material Consumed	0.64	1.53
Colour & Chemicals and Oil & Lubricants	0.02	0.04
Power & Fuel	0.80	0.78
Security charges	-	0.02
Other Manufacturing Expenses	0.14	0.13
Salary & Wages, Bonus & Commission	1.13	1.39
Employees Welfare & Other Amenities	0.11	0.15
Packing Material Consumed	0.04	0.12
Sales Promotion & Advertising	0.01	0.02
Rent	-	0.36
Insurance	-	0.06
Repairs & Maintenance – Others	-	0.01
Travelling & Conveyance	0.06	0.11
General Expenses	0.01	0.06
Legal & professional Fees	-	0.33
Bank & Finance Charges	-	2.47
Interest	4.69	6.83
	7.65	14.41
Less : Income during construction period :		
Sales Realisation	0.11	1.20
Net Pre Operative Expenditure for the Year	7.54	13.21
Add : Pre Operative Expenditure upto Previous Year	7.26	0.61
	14.80	13.82
Less : Allocated to Fixed Assets	8.59	6.56
Closing Balance	6.21	7.26

14. In the opinion of the Management, the Current Assets, Loans and Advances are approximately of the value stated if realised in the ordinary course of business.

15. Income Tax Assessment of the Company has been completed up to the accounting year ended on 31st March 2008.

16. Details regarding Licensed, Installed Capacity and Actual Production : (As certified by the management)

A. Capacity :

	Unit	Licensed Capacity		Installed Capacity	
		Current Year	Previous Year	Current Year	Previous Year
Polyester Chips	MT	NA	NA	608,800	550,800
Polyester Filament Yarn (POY)	MT	NA	NA	245,000	201,200
Polyester Processed Yarn	MT	NA	NA	13,420	13,420

NA denotes delicensed by notification no. 477 (E) dated 27th July, 1991.

B. Production

Description	Unit	Current Year	Previous Year
		Quantity	Quantity
Polyester Chips *	MT	484,389	431,342
Polyester Filament Yarn (POY) \$	MT	211,017	151,551
Polyester Processed Yarn	MT	8,119	7,032

* Includes 212929 MT (Previous Year 151567 MT) for captive consumption.

\$ Includes 8176 MT (Previous Year 7015 MT) for captive consumption.

17. Quantitative Information in respect of Opening Stock, Closing Stock, Turnover, Purchase and Raw Material Consumption (As certified by the management)

	Unit	Current Year		Previous Year	
		Quantity	(₹ in Crores)	Quantity	(₹ in Crores)
A. Opening Stock					
Polyester Chips	MT	19,042	120.60	15678	73.10
Polyester Filament Yarn (POY)	MT	2,472	19.15	1551	9.17
Polyester Processed Yarn	MT	843	7.85	328	2.47
		147.60		84.74	
B. Closing Stock					
Polyester Chips	MT	14,126	130.67	19,042	120.60
Polyester Filament Yarn (POY)	MT	6,728	72.47	2,472	19.15
Polyester Processed Yarn	MT	478	6.07	843	7.85
Waste	MT	--	0.04	--	-
		209.25		147.60	
C. Turnover					
Polyester Chips	MT	276,376	1,939.91	276,411	1,602.93
Polyester Filament Yarn (POY)*	MT	198,585	1,760.10	143,615	1,067.59
Polyester Processed Yarn	MT	8,484	90.87	6,517	68.34
Mono Ethylene Glycol	MT	2,609	12.36	3,861	16.99
Pure Terephthalic Acid	MT	573	2.86	10,759	46.22
Waste & Others	--	-	54.57	--	45.62
		3,860.67		2,847.69	
* Includes sales of trail run products ₹ 0.11 Crores (Previous Year ₹ 1.20 Crores)					
D. Purchases					
Mono Ethylene Glycol	MT	2,609	11.30	3,861	14.98
Pure Terephthalic Acid	MT	573	2.59	10,759	44.92
Others	--	--	0.25	--	0.41
		14.14		60.31	
E. Raw Material Consumed					
Pure Terephthalic Acid	MT	413,885	2,094.75	369,163	1,610.33
Mono Ethylene Glycol	MT	161,808	662.99	144,762	476.98
Polyester Filament Yarn (POY)	MT	--	--	65	0.20
Master Batch	MT	621	11.66	929	12.29
Others	--	--	52.98	--	38.75
		*2822.38		*2138.55	

*includes Consumed during Trial Run ₹ 0.64 Crores (Previous Year ₹ 1.53 Crores)

18. Value of Raw material Consumed:

(₹ in Crores)

	Current Year	% of Total consumption	Previous Year	% of Total consumption
Indigenous	1,719.99	60.94	1,375.87	64.34
Imported	1,102.39	39.06	762.68	35.66
	2,822.38	100.00	2,138.55	100.00

19. Value of Store & Spare Parts Consumed :

(₹ in Crores)

	Current Year	% of Total consumption	Previous Year	% of Total consumption
Indigenous	9.59	96.09	5.74	83.67
Imported	0.39	3.91	1.12	16.33
	9.98	100.00	6.86	100.00

20. Earnings in foreign Exchange :

(₹ in Crores)

	Current Year	Previous Year
FOB Value of Exports	645.91	613.60
Interest & Miscellaneous Income	2.86	2.46

21. CIF Value of imports :

(₹ in Crores)

	Current Year	Previous Year
Raw Materials	1,123.34	661.14
Capital Equipment	64.52	58.15
Colours & Chemicals and Oil & Lubricants	3.72	6.15
Stores & Spares and consumables	2.07	2.03

22. Expenditure in Foreign currency :

(₹ in Crores)

	Current Year	Previous Year
Traveling	0.11	0.21
Brokerage & Commission	4.29	3.17
Interest & Finance Charges	12.59	10.84
Currency & Interest rate Swap Loss	84.09	-
Others	1.19	0.24
	102.27	14.46

23. Excise Duty includes :

(₹ in Crores)

	Current Year	Previous Year
a) Excise duty shown as reduction from turnover	302.57	155.18
b) Excise duty charged to profit & loss account :		
i) Difference between Closing and Opening Stock	5.20	7.45
ii) Paid on depot Transfer	0.09	0.02

24. Particulars of Dividend paid to Non resident Shareholders

Amount remitted in foreign currency

NIL NIL

25. Financial and Derivative Instruments :

a) Derivative Contracts entered into by the Company and outstanding as on 31st March, 2011

(₹ in Crores)

Particulars

Currency & Interest Swap with option structures

Current Year

88.80

Previous Year

89.95

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

c) The loss of ₹ 84.09 Crores in respect of foreign exchange and interest rate swap contract for the year have been charged to the Profit and loss Account. Marked to market losses in respect of the derivative contracts for Currency & Interest Swap as on 31st March, 2011 is ₹ 144.63 Crores (Previous Year ₹ 63.37 Crores), which have not been provided in the books of accounts since the company is of the view that the above losses may be payable only if loss conditions are triggered on observation dates starting from 3rd August, 2010 and ending on 3rd July, 2013. The loss if any, will be accounted for on actual settlements.

Bank of India with whom, above derivative transaction is outstanding has approved a line of credit to fund losses on account of above derivative transaction by way of debt, convertible loan and cumulative redeemable preference shares. Accordingly as on 31st March 2011, the Company has issued 26,61,363, 2.5% Cumulative Redeemable Preference Shares (CRPS) aggregating to ₹ 26.61 Crores & bank has disbursed loan of ₹ 26.61 Crores and optionally convertible loan of ₹ 15.21 Crores.

d) Foreign Currency exposure that are not hedged by derivative instruments as on 31st March, 2011 relating to :

(₹ in Crores)

Particulars

Investment in Foreign Subsidiary
Receivables
Payables

Current Year

315.12
81.83
871.04

Previous Year

123.64
92.65
589.74

26. 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 Company has reserved issuance of 21,78,486 Equity Shares of ₹ 10/- each for offering to eligible employees of the Company.
- 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 70,784 (Previous Year 1,81,800) Options have been Lapsed during the year 2010-11.
- During the year the Company has further granted 45,000 Options convertible into Equity Shares of ₹ 10 each to 4 employees. The Exercise Price of the Options was fixed at ₹ 60 each for conversion in to one Equity Share of the Company.
- 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

v. All the Options granted till date have an exercise period of Twenty Four months from the date of their vesting.

vi. 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:

Particulars	(₹ in Crores)	
	Current Year	Previous Year
Net Profit after tax	131.42	129.00
Prior Period adjustments	0.11	0.22
Proposed Dividend on Preference Shares ₹ 36,457 (Previous Year ₹ Nil)	0.00	-
Net Profit as Reported	131.31	128.78
Less : Employee Compensation Expenses	1.23	0.93
Adjusted Proforma	130.08	127.85
Basic Earnings Per Share (₹)-		
- As reported	19.53	20.69
- Proforma	19.35	20.54
Diluted Earnings Per Share (₹)		
- As reported	18.81	19.51
- Proforma	18.64	19.37

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

Sr.No.	Particulars	(₹ in Crores)	
		Current Year (No. of Shares)	Previous Year (No. of Shares)
i.	Outstanding at the beginning of the year	19,72,200	-
ii.	Granted during the year	45,000	21,54,000
iii.	Lapsed during the year	70,784	1,81,800
iv.	Exercised during the year	556,704	-
v.	Expired During the year	-	-
vi.	Outstanding at the end of the year	13,89,712	19,72,200
vii.	Exercisable at the end of the year	110,550	-
viii.	Weighted average Intrinsic value of Options granted during the year	₹ 106.32	₹ 36.4

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

A. Defined Contribution Plan

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

	Current Year	Previous Year
Employer's Contribution to Provident Fund	0.78	0.33
Employer's Contribution to Pension Scheme	0.99	0.73

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.

(₹ in Crores)

	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
a. Reconciliation of opening and closing balances of Defined Benefit obligation				
Defined Benefit obligation at beginning of the year	2.70	1.99	1.38	1.31
Current Service Cost	0.48	0.38	0.17	0.06
Interest Cost	0.22	0.16	0.11	0.10
Actuarial (gain)/loss	0.01	0.47	0.42	0.37
Benefits paid	(0.17)	(0.30)	(0.40)	(0.46)
Defined Benefit obligation at year end	3.24	2.70	1.68	1.38
b. Reconciliation of fair value of assets and obligations				
Fair value of plan assets at year end	--	--	--	--
Present value of obligation at year end	3.24	2.70	1.68	1.38
Amount recognised in Balance Sheet	3.24	2.70	1.68	1.38

c. Expenses recognised during the year

Current Service Cost	0.48	0.38	0.17	0.06
Interest Cost	0.22	0.16	0.11	0.10
Expected return on plan assets	-	-	-	-
Actuarial (gain) / loss	0.01	0.47	0.42	0.37
Net Cost	0.71	1.01	0.70	0.53

d. Amounts for the current and previous year are as follows :

Defined Benefit Obligation	3.24	2.70	1.68	1.38
Plan Assets	--	--	--	--
Experience Adjustments on plan Liabilities	0.07	0.53	--	--
Experience Adjustments on plan Assets	--	--	--	--

Experience adjustments have been disclosed only for previous year for which information is available on Accounting Standard 15 (Revised 2005) "Employee Benefits".

e. Actuarial assumptions

Mortality Table (L.I.C.)	1994-96 (Ultimate)			
Rate of Interest (per annum)	8.50%	8.25%	8.50%	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.

28. As at 31st March 2011, the company has invested ₹ 1.76 Crores (Previous year ₹ 1.46 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 ₹ 1.76 crores as at 31st March, 2011 (Previous year ₹ 1.28 crores) have been accounted as investment in schedule " F".

29. Disclosure under the Micro and Small Enterprises Development Act, 2006 :

Amount due to Micro and Small Enterprises are disclosed on the basis of information available with the Company regarding status of the suppliers is as follows : (₹ in Crores)

Particulars	Current Year	Previous Year
1 Principal Amount remaining unpaid at the end of the year	1.11	2.94
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	--	--

This information as required to be disclosed has been determined to the extent such parties have been identified on the basis of information available with the Company.

30. Previous year's figures have been reworked/ regrouped/ rearranged and reclassified wherever necessary. Amount and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amount and other disclosures relating to the current year.

As per our report of even date

For CHATURVEDI & SHAH
Chartered Accountants

R. KORIA
Partner

Place : Mumbai
Date : 26th May, 2011

For & on behalf of the Board of Directors

B.C. ARYA
Chairman

P. N. THAKORE
Director- Finance

RAKESH GOTHI
Managing Director

B.R. GUPTA
Director

UJJWALA APTE
Company Secretary

31 Balance Sheet Abstract and Company's General Business Profile :
 (Submitted in terms of Part IV of Schedule VI of the Companies Act, 1956)
I. REGISTRATION DETAILS

Registration No.	54 - 00128	State Code	5 4
Balance Sheet Date	31 - 03 - 2011		

II. CAPITAL RAISED DURING THE YEAR (Amount ₹ in Crores)

Public Issue	N I L	Right Issue	N I L
Bonus Issue	N I L	Private Placement	36.02

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount ₹ in Crores)

Total Liabilities	2,968.96	Total Assets	2,968.96
-------------------	----------	--------------	----------

Sources of Funds :

Paid - Up Capital	98.26	Reserves & Surplus	856.07
Secured Loans	515.16	Unsecured Loans	606.80
Current Liabilities & Provisions	751.90	Deferred Tax Liability	141.48

Application of Funds :

Net Fixed Assets	1,287.15	Investments	443.07
Current Assets, Loans and Advances	1,235.89	Monetary Items Translation Difference Account	2.85

IV. PERFORMANCE OF COMPANY (Amount ₹ in Crores)

Turnover	3,883.84	Total Expenditure	3692.24
Profit before Tax	191.60	Profit after Tax	131.42
Earning Per Share in ₹ Basic	19.53	Dividend Rate %	80
Earning Per Share in ₹ Diluted	18.81		

V. GENERIC NAMES OF PRINCIPAL PRODUCTS OF THE COMPANY (as per monetary terms)

1. Item Code No. (ITC Code)	54024200
Product Description:	P O Y
2. Item Code No. (ITC Code)	39076090
Product Description:	POLYESTER CHIPS
3. Item Code No. (ITC Code)	5 4 0 2 4 3 0 0
Product Description:	POLYESTER FULLY DRAW YARN

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

Chairman

RAKESH GOTHI

Managing Director

P.N. THAKORE

Director- Finance

B.R. GUPTA

Director

UJJWALA APTE

Company Secretary

Place : Mumbai

Date : 26th May, 2011

Financial Information of Subsidiary Companies

(₹ in Crores)

Sr. No.	Name of the Subsidiary Company	Country	Reporting Currency	Exchange rate as on 31.03.2011	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	44.40000	236.46	(60.39)	346.62	346.62	--	3.07	0.16	0.01	0.15	--
			USD MN		53.26	(13.60)	78.07	78.07	--	0.68	0.04	0.002	0.03	--
2	JBF RAK LLC	UAE	INR	12.08936	286.71	617.05	1,941.39	1,941.39	--	3,024.65	414.51	--	414.51	--
			AED MN		237.16	510.41	1,605.87	1,605.87	--	2,443.26	337.53	--	337.53	--

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2011

(₹ in Crores)

PARTICULARS	Year Ended 31st March, 2011 AMOUNT	Year Ended 31st March, 2010 AMOUNT
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax as per Profit & Loss Account	191.60	183.01
Adjustment for :		
Depreciation and amortisation	73.37	62.21
Interest and Finance Charges	154.18	53.34
Reversal of Provisions for diminution in value of Current Investments	(0.73)	(4.23)
Loss on sale of Fixed assets (net)	4.00	0.22
(Profit)/Loss from Current/Long term Investments (net)	(0.65)	0.76
Provision for doubtful debts	-	1.12
Interest Income	(8.15)	(4.50)
Dividend Income	(3.91)	(2.02)
Extinguishment of Liability on Buyback of FCCB	-	(17.46)
Employee Stock Option Cost	3.28	2.26
Sundry Balances written off/ (back) (net)	(4.88)	0.15
Foreign Exchange Difference (Net)	(7.02)	(3.18)
Operating profit before working capital changes	401.09	271.68
Adjusted for :		
Trade & Other receivables	(7.99)	(50.59)
Inventories	(173.94)	(107.78)
Trade Payables	160.65	158.50
Cash generated from operations	379.81	271.81
Direct taxes paid/ TDS deducted/Refund received/FBT	(54.59)	(40.79)
Cash generated before prior year adjustments	325.22	231.02
Prior year adjustments	(0.11)	(0.22)
Net cash from operating activities (A)	325.11	230.80
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchases of fixed assets	(232.04)	(224.46)
Sale of fixed assets	1.83	0.14
Investment in Preference shares of subsidiary	(161.14)	-
Purchases of Investments	(655.19)	(409.29)
Sale of Investments	659.57	317.86
Movements in Loans and Advances(Net)	(133.41)	38.79
Dividend Income	3.87	2.02
Interest received	7.54	5.06
Fixed Deposits held for more than three months- placed	(46.00)	(5.00)
Fixed Deposits held for more than three months - matured	4.04	5.34
Net cash used in investing activities (B)	(550.91)	(269.54)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue of share capital including Security Premium	86.48	-
Shares Issue Expenses	(3.13)	-
Proceeds from long term loans	148.59	206.33
Repayment of long term loans	(82.69)	(119.30)
Short term Loans (Net)	212.21	49.44
Exchange Difference (Net)	5.31	(5.20)
Interest and Finance Charges paid	(90.42)	(59.41)
Dividend paid (Including dividend distribution tax)	(43.32)	(36.23)
Net cash from financing activities (C)	233.03	35.63
NET INCREASE/(DECREASE)] IN CASH & CASH EQUIVALENTS (A+B+C)	7.23	(3.11)
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	29.03	32.14
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	36.26	29.03
Add: Fixed deposit with banks with maturity of more than three months	47.00	5.00
Closing balance of Cash and bank as per schedule " G"	83.26	34.03

Notes :1. 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 .

2. Cash and cash equivalent Includes amount lying in Margin money Account amounting to ₹ 14.77 Crore (Previous year ₹ 12.67 Crore), Fixed Deposit in lien with bank amounting to ₹ 6.20 Crore (Previous year ₹ 2.82 Crore) and matured Dividend Accounts amounting to ₹ 0.81 Crore (Previous year ₹ 0.57 Crore)

3. The figures of previous year have been recast, rearranged and regrouped wherever considered necessary.

4. Figures in brackets indicate outflows.

As per our report of even date

For CHATURVEDI & SHAH
Chartered Accountants

R. KORIA
Partner

Place : Mumbai
Date : 26th May, 2011

For & on behalf of the Board of Directors

B.C. ARYA
Chairman

P. N. THAKORE
Director- Finance

RAKESH GOTHI
Managing Director

B.R. GUPTA
Director

UJJWALA APTE
Company Secretary

Financial Highlights

(₹ in Crores)

Particulars	2011	2010	2009	2008	2007
Gross Turnover	3,861	2,846	2,551	2,315	1,612
Net Turnover	3,558	2,691	2,394	2,150	1,480
EBIDTA	428	307	232	260	184
Depreciation	73	62	52	46	37
Interest & Finance Charges	163	62	59	47	27
Provision for Taxation - Current Tax	51	43	21	24	12
- Deferred Tax	9	11	23	5	27
Profit after Tax	131	129	76	139	81
Net Fixed Asset	1,287	1,141	957	769	664
Long Term Secured Loans	447	381	246	200	288
Equity Paid up Capital	72	62	62	62	54
Preference share Capital	27	-	-	-	-
Net Worth	954	735	640	607	388
Book Value Per Share (₹)	129.48	118.08	102.77	97.82	71.34
Capital Employed	2,218	1,692	1,495	1,250	1,000
Long Term Debt Equity Ratio	0.47	0.52	0.38	0.33	0.74
Fixed Assets Cover Ratio	2.88	2.99	3.89	3.85	2.30
EBIDTA (%)	12.03%	11.41%	9.70%	12.11%	12.44%
Return on Average Net Worth	15.56%	18.77%	12.24%	27.89%	23.43%
Return on Average Capital Employed	13.84%	15.37%	13.11%	19.07%	20.65%
Earning Per Share of ₹ 10/- (₹) - Basic	19.53	20.69	11.81	24.03	15.61
Cash EPS of ₹ 10/- (₹) - Basic	31.84	32.53	24.38	32.86	27.94
Dividend	80.00%	60.00%	50.00%	15.00%	22.50%

Auditors' Report on Consolidated Financials Statements

To the Board of Directors
JBF Industries Limited

1. We have audited the attached Consolidated Balance Sheet of 'JBF Industries Limited' ("the Company") and its subsidiaries (collectively referred to as 'the Group') as at 31st March 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹2288.03 Crores as at 31st March 2011, total revenues of ₹ 3027.72 Crores and net cash inflow amounting to ₹ 101.62 Crores for the year ended on that date. 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 those auditors.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) - 21 "Consolidated Financial Statements" as notified pursuant to the Companies (Accounting Standards) Rules 2006, (as amended).
5. Attention is drawn to the:
Note No. 13 (c) of the Schedule "O" regarding "the non-provision of marked to market losses of derivative contracts amounting to ₹ 144.63 Crores as on 31st March 2011 on account of reasons as explained in the aforesaid note. Had the same been provided the profit after tax for the year ended 31st March 2011 and Reserves as at 31st March 2011 would have been ₹ 448.41 Crores and ₹ 1257.78 Crores respectively as against the reported figures of ₹ 546.11 Crores & ₹ 1355.48 Crores respectively.
6. Based on our audit and on consideration of the audit reports of other auditors on separate audited financial statements and on the financial information of the components, and to the best of our information and according to the explanations given to us, and subject to our comment in the paragraph 5 above, 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:
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011;
 - (b) in the case of the Consolidated Profit and Loss Account, of the profits of the Group for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For CHATURVEDI & SHAH

(Registration No.: 101720W)

Chartered Accountants

R.KORIA

Partner

Membership No. 35629

Place: Mumbai

Dated: 26th May, 2011

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

(₹ in Crores)

Schedule	As at 31st March, 2011		As at 31st March, 2010	
SOURCES OF FUNDS				
SHAREHOLDERS' FUND				
Share Capital	A	98.26	62.24	
Reserves and Surplus	B	1,355.48	811.73	873.97
				363.27
MINORITY INTEREST				
LOAN FUNDS				
Secured Loans	C	1,103.51	916.13	
Unsecured Loans	D	680.11	448.23	1,364.36
				133.71
DEFERRED TAX LIABILITY (NET) (Refer Note No. 4 of Schedule "O")				
		143.01		133.71
		TOTAL	3,380.37	2,735.31
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	E	2,761.04	2,445.51	
Less: Depreciation		561.28	437.16	
Net Block		2,199.76	2,008.35	
Add: Capital work in progress		270.75	108.11	2,116.46
				130.96
INVESTMENTS - In Associates				
- In Others		127.95	130.96	130.96
				3.57
FOREIGN CURRENCY MONETARY ITEMS TRANSLATION DIFFERENCE ACCOUNT				
		2.85		3.57
CURRENT ASSETS, LOANS AND ADVANCES				
Inventories	F	734.38	513.18	
Sundry Debtors		695.71	467.40	
Cash and Bank Balances		235.04	99.85	
Loans and Advances		365.83	302.34	
		2,030.96	1,382.77	
LESS : CURRENT LIABILITIES & PROVISIONS				
Current Liabilities	G	1,108.42	793.57	
Provisions		143.48	104.88	
		1,251.90	898.45	
		779.06		484.32
Net Current Assets				
		TOTAL	3,380.37	2,735.31
Significant Accounting Policies & Notes on Accounts	O			

As per our report of even date

For CHATURVEDI & SHAH
Chartered Accountants

R. KORIA
Partner

Place : Mumbai
Date : 26th May, 2011

For & on behalf of the Board of Directors

B.C. ARYA
Chairman

P.N. THAKORE
Director- Finance

RAKESH GOTHI
Managing Director

B.R. GUPTA
Director

UJJWALA APTE
Company Secretary

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ in Crores)

	Schedule	Year ended 31st March, 2011	Year ended 31st March, 2010
INCOME			
Turnover		6,768.14	5,096.09
Less : Excise Duty Recovered on Sales		302.57	155.18
Net Turnover		6,465.57	4,940.91
Other Income	H	26.17	44.60
Variation in stocks	I	75.07	55.54
TOTAL		6,566.81	5,041.05
EXPENDITURE			
Purchases		14.14	28.66
Manufacturing & Other Expenses	J	5,083.01	4,185.15
Personnel	K	84.62	67.78
Selling & Distribution	L	348.11	206.43
Administrative & General	M	68.26	41.49
Interest and Finance Charges	N	230.94	127.47
		5,829.08	4,656.98
Profit before Depreciation & Tax		737.73	384.07
Depreciation		131.43	117.25
Profit before tax		606.30	266.82
Provision for Current Tax (including wealth tax of ₹ 0.02 Crore Previous Year ₹ 0.02 Crore)		50.95	42.72
Provision for Deferred Tax		9.31	11.27
Taxes For Earlier Years		(0.07)	0.03
Profit after tax		546.11	212.80
Less : Minority Interest		--	(22.40)
		546.11	190.40
Prior period adjustments		0.11	4.00
Add:- Amount transferred from Minority Interest		38.90	--
Balance as per last Balance sheet		477.67	355.15
Amount available for appropriation		1,062.57	541.55
APPROPRIATIONS			
Transferred to General Reserve		13.15	12.90
Transferred to Legal Reserve		40.80	9.96
Less:- Share of Minority (Refer Note No.16 of Schedule 'O')		--	3.25
Transferred to Debenture Redemption Reserve		3.25	0.57
Dividend Distribution tax for earlier year written back		(0.14)	--
Proposed Dividend on Preference Shares (₹ 36457 Previous Year ₹ Nil)		0.00	--
Proposed Dividend on Equity Shares		57.32	37.35
Dividend Distribution tax on Proposed Dividend		9.30	6.35
Balance carried to the Balance Sheet		938.89	477.67
		1,062.57	541.55
Earnings per share (of ₹ 10 each) - (in ₹) Basic		81.20	29.95
- (in ₹) Diluted		78.22	28.21
(Refer Note No."5" of Schedule "O")			
Significant Accounting Policies & Notes on Accounts	O		

As per our report of even date

For CHATURVEDI & SHAH
Chartered Accountants**R. KORIA**
PartnerPlace : Mumbai
Date : 26th May, 2011**For & on behalf of the Board of Directors****B.C. ARYA**
Chairman**P.N. THAKORE**
Director- Finance**RAKESH GOTHI**
Managing Director**B.R. GUPTA**
Director**UJWALA APTE**
Company Secretary

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

SCHEDULE 'A'
SHARE CAPITAL

	(₹ in Crores)	
	As at 31st March, 2011	As at 31st March, 2010
AUTHORISED		
100,000,000 (Previous Year 100,000,000) Equity Shares of ₹ 10 each	100.00	100.00
12,500,000 (Previous Year Nil) Cumulative Redeemable Preference Shares of ₹ 100 each	125.00	-
	225.00	100.00
ISSUED, SUBSCRIBED AND PAID UP		
71,647,956 (Previous Year 62,242,448) Equity Shares of ₹10 each fully paid up	71.65	62.24
2,661,363 (Previous Year Nil) Cumulative Redeemable Preference Shares of ₹100 each fully paid up	26.61	-
	98.26	62.24

Note :

- Of the above Equity Shares 182,450 Equity Shares of ₹10/- each were issued pursuant to the scheme of Amalgamation of Microsynth Fabrics (India) Limited with the Company as sanctioned by Hon'ble High Court of Judicature at Mumbai vide its order dated 23rd October, 2008.
- During the year the Company has allotted:
 - 3,558,333 (Previous year Nil) Equity Shares of ₹ 10 each fully paid up to Foreign Currency Convertible Bond (FCCB) holders on exercise of option at a premium of ₹ 80/-per Share.
 - 5,290,471 (Previous year Nil) Equity Shares of ₹ 10 /-each fully paid up to Qualified Institutional Buyers at a premium of ₹ 147.15/-per Share.
 - 556,704 (Previous Year Nil) equity shares of ₹ 10/-each fully paid up on exercise of option by ESOS holders.
- The ESOS holders have the option to apply for one Equity Shares of ₹ 10 each fully paid up. (Refer Note No. 12 of Schedule "O")
- As approved by the Shareholders' in their meeting held on 24th March, 2011, the Company has allotted 26,61,363 2.5% Cumulative Redeemable Preference Shares (CRPS) of ₹ 100 each fully paid up aggregating to ₹ 26.61 Crores in first tranche to Bank of India in pursuant to line of credit approved by the bank to fund derivative losses. These CRPS are redeemable at par on 30th September, 2018.

SCHEDULE 'B'
RESERVE AND SURPLUS

	(₹ in Crores)	
	As at 31st March, 2011	As at 31st March, 2010
CAPITAL RESERVE		
As per last Balance Sheet	10.62	10.62
CAPITAL RESERVE ON CONSOLIDATION	0.29	0.30
SECURITIES PREMIUM		
As per last Balance Sheet	280.84	272.90
Add : Received on issue of Shares	111.30	--
Add : Redemption Premium on FCCB reversed on Conversion/ buyback	9.32	9.15
	401.46	282.05
Less : Premium payable on redemption of FCCB	--	1.21
Less : Share issue expenses	3.13	--
	398.33	280.84
DEBENTURES REDEMPTION RESERVE		
As per last Balance Sheet	0.57	--
Add: Transferred from Profit and Loss Account	3.25	0.57
	3.82	0.57
GENERAL RESERVE		
As per last Balance Sheet	49.25	36.35
Add : Transferred from Profit and Loss Account	13.15	12.90
	62.40	49.25

(₹ in Crores)

LEGAL RESERVE

As per last Balance Sheet	16.74		10.03	
Add : Transferred from Profit and Loss Account	40.80		6.71	
Add : Transferred from Minority Interest	3.46	61.00	--	16.74

HEDGING RESERVE

As per last Balance Sheet	(4.79)		(7.11)	
Add : Change in fair value	2.82		--	
Add : Transferred from Minority Interest	(1.44)	(3.41)	2.32	(4.79)

FOREIGN CURRENCY TRANSLATION RESERVE**EMPLOYEE STOCK OPTION OUTSTANDING**

As per last Balance Sheet	7.18		--	
Add: Granted during the year	0.48		7.84	
Less: Option lapsed during the year	(0.26)		(0.66)	
Less:- Option Exercised during the year	(2.20)		--	
	5.20		7.18	

Less : Deferred Compensation Expenses

As per last Balance Sheet	4.92		--	
Add : Granted during the year	0.48		7.84	
Less : Amortised / lapsed during the year	(3.54)		(2.92)	
	1.86	3.34	4.92	2.26

PROFIT & LOSS ACCOUNT**PREMIUM PAID ON BUY BACK OF SHARES**

(Refer Note No. 3 of Schedule 'O')

SCHEDULE 'C'**SECURED LOANS****A) Debentures**

Non Convertible Debentures		50.00		50.00
----------------------------	--	--------------	--	--------------

B) Term Loans

a) From Banks	851.87		693.25	
b) From Financial Institutions	39.88	891.75	50.36	743.61

C) External Commercial Borrowing**D) Working Capital Loans From Banks****E) Vehicle Loans**

		53.28		--
		106.72		120.78
		1.76		1.74
		1,103.51		916.13

Notes :

1. Debentures 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.

2. Debentures referred to in (A) above are redeemable at par in one or more installments on various dates with the earliest redemption being on 27th January, 2013 and the last being 27th October, 2014. The debentures are redeemable as follows ₹ 10 Crores in Financial year 2012-13, ₹ 20 Crores in Financial year 2013-14 and ₹ 20 Crores in Financial year 2014-15.
3. Term Loans from Banks & Financial Institutions referred to in (B) above includes ₹ 473.07 Crores (Previous year ₹ 331.31 Crores) 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 and ₹ 343.26 Crores (Previous Year ₹ 331.31 Crores) are further secured by Second charge on current assets of the Company situated at Silvassa, Dadra & Nagar Haveli (Union Territory) and at Sarigam, District Valsad, Gujarat. ₹ 418.68 Crores (Previous Year ₹ 412.30 Crores) secured by way of first rank registered mortgage over industrial plot at Emirates of Ras Al Khaimah & Mortgaged/ Notarised pledge and hypothecation over Plant & Machinery and other fixed assets situated at Emirates of Ras Al Khaimah.
4. External Commercial Borrowing referred to in (C) above is to be 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.
5. Working Capital Loans as referred to in (D) above includes ₹ 53.21 Crores (Previous year ₹ 35.60 Crores) are secured and ₹ 14.69 Crores (Previous Year ₹ Nil) are to be secured by hypothecation of inventory of Raw Materials, Work in process, Finished goods, Stores and spares, Packing materials and Book Debts and are also secured by way of Second charge on the immovable properties of the company situated at Silvassa, Dadra & Nagar Haveli (Union Territory) and at Sarigam, District Valsad, Gujarat. ₹ 38.82 crores (Previous Year ₹ 83.78 crores) secured by hypothecation of inventory and receivables on pari passu basis situated at Emirates of Ras Al Khaimah.
6. Working Capital Loans as referred to in (D) above aggregating to ₹ Nil (Previous year ₹ 1.40 Crores) are secured by pledge of Fixed Deposits with banks of ₹ 6.20 Crores (Previous year ₹ 2.82 Crores).
7. The Loans for vehicle have been secured by specific charge on the vehicles covered under the said loans.
8. Of the above, Loans aggregating to ₹ 15.72 Crores (Previous year ₹ 28.67 Crores) are guaranteed by two of the Directors of the Company and ₹ 46.65 Crores (Previous year ₹ 49.80 Crores) are guaranteed by one of the Directors of the company in their personal capacity. ₹ 78.45 Crores (Previous Year ₹ 42.41) are Guaranteed by one of the Directors of JBF RAK LLC.

SCHEDULE 'D'

(₹ in Crores)

UNSECURED LOANS**A. Long Term Loans :**

	As at 31st March, 2011		As at 31st March, 2010	
1) 1.75% Foreign Currency Convertible Bonds	--		31.48	
2) Term Loan From a Bank	41.82		--	
3) External Commercial Borrowings	220.43		208.08	
4) Buyers Credit	25.86	288.11	26.20	265.76

B. Short Term Loans :

1) Term Loan From Banks	118.31		76.82	
2) Commercial Papers	-		63.24	
3) FCNR Loan	26.64		--	
4) Buyers Credit	159.79	304.74	--	140.06

C. Working Capital Loan from Banks

	87.26		42.41
	680.11		448.23

Note :

1. The Company had issued 3450 Foreign Currency Convertible Bonds of USD 10,000 each as referred to in A (1) above on 30th November, 2005 redeemable at a premium of USD 3413.4 per Bond on 1st December, 2010 with an option to bond holders to convert each bond in 5083.33 Equity Shares aggregating to 1,75,37,500 Equity Shares of ₹ 10/- each at any time on or after 30th December, 2005 and prior to the close of business on 1st November, 2010. During the year on exercise of option by all Bond holders in respect of outstanding Bonds, Company has allotted 35,58,333 (Previous Year Nil) Equity Shares of ₹ 10 each fully paid up. No FCCB were outstanding as at 31st March, 2011.
2. Maximum balance of Commercial Papers outstanding at any time during the year ₹ 63.24 Crores (Previous Year ₹ 73.03 Crores).
3. Long Term Loans referred to in A (2) above aggregating to ₹ 41.82 Crores (Previous year ₹ Nil Crores) are guaranteed by one of the Directors of the Company in his personal capacity and out of above ₹ 15.21 Crores (Previous Year ₹ Nil) is convertible at the option of the company into Equity Shares by September, 2013.

SCHEDULE 'E'
FIXED ASSETS

(₹ in Crores)

DESCRIPTION	GROSS BLOCK		DEPRECIATION			NET BLOCK				
	As At 01/04/2010	Additions/ Adjustments	Deductions/ Adjustments	As at 31/03/2011	Up to 31/03/2010	For the year	Deductions/ Adjustments	Upto 31/03/2011	As At 31/03/2011	As At 31/03/2010
Tangible :										
Leasehold Land	1.60	-	-	1.60	0.06	0.02	-	0.08	1.52	1.54
Freehold Land	27.29	-	-	27.29	-	-	-	-	27.29	27.29
Leasehold Improvements	199.87	23.24	-	223.11	16.18	10.74	-	26.92	196.19	183.69
Buildings	180.96	11.84	-	192.80	27.22	6.23	-	33.45	159.35	153.74
Plant & Machineries	1,982.07	224.97	9.15	2,197.89	382.40	108.38	3.60	487.18	1,710.71	1,599.67
Furniture & Fixtures	7.90	0.36	0.28	7.98	2.92	0.51	0.06	3.37	4.61	4.98
Office Equipments	1.53	0.12	0.10	1.55	0.39	0.09	0.03	0.45	1.10	1.14
Vehicles	7.02	1.98	1.76	7.24	1.95	0.65	0.94	1.66	5.58	5.07
Data Processing Equipments	7.82	0.51	0.16	8.17	4.27	1.13	0.15	5.25	2.92	3.55
Intangible:										
Software*	1.70	0.10	-	1.80	1.15	0.23	-	1.38	0.42	0.55
Technical Know-how**	14.01	(0.18)	-	13.83	0.62	0.92	-	1.54	12.29	13.39
Goodwill On consolidation	13.74	64.04	-	77.78	-	-	-	-	77.78	13.74
Total	2,445.51	326.98	11.45	2,761.04	437.16	128.90	4.78	561.28	2,199.76	2,008.35
Previous Year	2,097.54	350.34	2.37	2,445.51	328.77	109.12	0.73	437.16	2,008.35	-
Capital Work in progress									270.75	108.11

* other than internally generated .

** addition in negative on account of restatement.

NOTES:

- Buildings include ₹ 8000/- being the value of Shares of Co-operative Societies.
- Net-Block of Plant & Machinery includes ₹ 0.20 Crores (Previous year ₹ 0.20 Crores) in respect of Fixed Assets held for disposal.
- Additions to fixed assets & Capital work in Progress are inclusive of loss of ₹ 6.00 Crores (Previous Year gain of ₹ 17.23 Crores) on account of foreign exchange difference during the year.
- Capital work in progress includes :
 - ₹ 18.71 Crores on account of Preoperative expenses (Previous Year ₹ 7.34 Crores).
 - ₹ 26.82 Crores on account of cost of construction material at site (Previous Year ₹ 29.42 Crores)
 - ₹ 103.07 Crores on account of advances against capital expenses (Previous year ₹ 41.84 Crores)
- Additions to Gross block are inclusive of gain ₹ 15.92 Crores (Previous year gain of ₹ 116.72 Crores.) and Depreciation are inclusive of gain ₹ 2.53 Crores (Previous year gain of ₹ 8.13 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.
- 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) .

SCHEDULE 'G'**CURRENT LIABILITIES AND PROVISIONS**

(₹ in Crores)

	As at 31st March, 2011		As at 31st March, 2010	
CURRENT LIABILITIES				
Acceptances #	750.06		543.17	
Sundry Creditors - Micro and Small Enterprises	1.11		2.94	
- Others *	319.34		188.52	
Investor Education and Protection Fund				
-Unclaimed Dividend @	0.81		0.57	
Advance From Customers	10.57		-	
Other Liabilities \$	21.14		43.91	
Interest/Premium accrued but not due on Loans	5.39	1,108.42	14.46	793.57
PROVISIONS :				
Provision for Tax	50.95		42.72	
Provision for Staff Benefit Schemes	10.61		8.36	
Other Provisions **	15.30		10.10	
Proposed Dividend on Preference Shares	0.00		-	
₹ 36457/- (Previous Year ₹ Nil)				
Proposed Dividend on Equity Shares	57.32		37.35	
Provision for Dividend Distribution Tax	9.30	143.48	6.35	104.88
		1,251.90		898.45

includes for Capital expenditure ₹ 9.05 Crores (Previous Year ₹ 30.36 Crores)

* includes for Capital expenditure ₹ 28.90 Crores (Previous Year ₹ 16.98 Crores).

@ Do not include any amounts, due & outstanding, to be credited to Investor Education & Protection Fund.

\$ Includes ESOS application money pending allotment ₹ 84,000 (Previous Year ₹ Nil).

** 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, 2010 of ₹ 10.10 Crores as per the estimated pattern of Despatches. During the year ₹ 10.05 Crores was utilised for clearance of goods. Liability recognised under this class as at 31st March, 2011 is ₹ 15.30 Crores. Actual outflow is expected in the next financial year.

SCHEDULE - FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT**SCHEDULE 'H'****OTHER INCOME**

(₹ in Crores)

	Year Ended 31st March, 2011	Year Ended 31st March, 2010
Dividend - on long term investments	0.01	0.03
- on current investments	3.89	1.99
Interest received - from long term investments	0.06	0.30
- from Others	8.11	2.02
(Tax Deducted at source ₹ 0.82 Crores (Previous Year ₹ 0.36 Crores)		
Extinguishment of Liability on Buyback of FCCB	-	17.46
Profit on Sales of Current Investments (Net)	0.65	-
Reversal of provision for Diminution in value of Current Investment	0.73	4.23
Sundry Credit Balances Written Back (Net)	7.07	0.07
Rent	0.09	0.09
Insurance claims	0.46	1.37
Exchange Difference (Net)	-	14.91
Miscellaneous income	5.10	2.13
	26.17	44.60

SCHEDULE 'I' VARIATION IN STOCKS

(₹ in Crores)

Stocks at commencement :

Stock-in-process

Finished goods

Stocks at close :

Stock-in-process

Finished goods

	Year Ended 31st March, 2011		Year Ended 31st March, 2010	
Stocks at commencement :				
Stock-in-process	25.14		34.83	
Finished goods	195.09	220.23	129.86	164.69
Stocks at close :				
Stock-in-process	47.65		25.14	
Finished goods	247.65	295.30	195.09	220.23
	75.07		55.54	

SCHEDULE 'J' MANUFACTURING AND OTHER EXPENSES

(₹ in Crores)

RAW MATERIAL CONSUMED

Opening Stock

Add : Purchases

Less : Consumption during trial run

Less : Closing Stock

Stores & Spare

Colours, Chemicals, Oils & Lubricants

Power & Fuel

Repairs & Maintenance

Plant & Machinery

Building

Excise Duty

Security Charges

Labour Charges

Other Manufacturing Expenses

	Year Ended 31st March, 2011		Year Ended 31st March, 2010	
RAW MATERIAL CONSUMED				
Opening Stock	262.59		209.38	
Add : Purchases	4,874.93		3,948.35	
	5,137.52		4,157.73	
Less : Consumption during trial run	0.64		1.53	
Less : Closing Stock	391.89	4,744.99	262.59	3,893.61
Stores & Spare		24.07		21.32
Colours, Chemicals, Oils & Lubricants		24.10		16.66
Power & Fuel		247.09		217.62
Repairs & Maintenance				
Plant & Machinery	6.32		5.53	
Building	0.42	6.74	0.39	5.92
Excise Duty		5.29		7.47
Security Charges		1.44		1.17
Labour Charges		10.30		7.58
Other Manufacturing Expenses		18.99		13.80
	5,083.01		4,185.15	

SCHEDULE 'K' PERSONNEL

(Including Managerial Remuneration)

(₹ in Crores)

Salaries, Wages, Bonus and Commission

Contribution to Provident Fund, ESIC and other Funds

Gratuity

Employee Stock Option Cost

Employees Welfare and Other Amenities

	Year Ended 31st March, 2011		Year Ended 31st March, 2010	
Salaries, Wages, Bonus and Commission	70.41		54.33	
Contribution to Provident Fund, ESIC and other Funds	2.02		1.24	
Gratuity	2.86		2.87	
Employee Stock Option Cost	3.28		2.26	
Employees Welfare and Other Amenities	6.05		7.08	
	84.62		67.78	

SCHEDULE 'L' SELLING AND DISTRIBUTION

(₹ in Crores)

	Year Ended 31st March, 2011	Year Ended 31st March, 2010
Packing Material Consumed	110.91	75.53
Sales Promotion & Advertising Expenses	10.18	5.89
Freight & Forwarding Charges (Net)	161.21	102.78
Brokerage & Commission	65.81	22.23
	348.11	206.43

SCHEDULE 'M' ADMINISTRATIVE AND GENERAL

(₹ in Crores)

	Year Ended 31st March, 2011	Year Ended 31st March, 2010
Rent	6.87	8.21
Rates & Taxes (Net)	0.52	0.24
Insurance	12.38	8.45
Repairs & Maintenance-others	1.63	1.10
Travelling and Conveyance Expenses	9.45	7.69
Legal, Professional and Consultancy Charges	5.63	4.47
Payment to Auditors'	0.76	0.66
Donation	0.23	0.44
Provision for Doubtful Debts	6.49	1.12
Exchange Difference (Net)	10.41	-
Loss on Sale of Current Investments (Net)	--	0.76
Loss on sale of Fixed Assets (Net)	4.40	0.86
General Expenses*	9.49	7.49
	68.26	41.49

*General Expenses includes Directors sitting Fees ₹ 0.11 Crores (Previous Year ₹ 0.09 Crores)

SCHEDULE 'N' INTEREST & FINANCE CHARGES

(₹ in Crores)

	Year Ended 31st March, 2011	Year Ended 31st March, 2010
Interest on		
Bonds & Fixed Loans	85.50	60.65
Others	19.13	21.46
Finance & Bank Charges	42.22	45.36
Currency & Interest rate Swap Loss (Refer Note No. 13 of Schedule "O")	84.09	--
	230.94	127.47

SCHEDULE "O"**SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS -
I STATEMENT OF 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 reserves.
- 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 account 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 2 of notes on accounts 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 its subsidiaries JBF RAK LLC & JBF GLOBAL PTE LTD.

II Notes on Accounts

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	100.00%
JBF RAK LLC.	Step Down Subsidiary	Ras -Al -Khaimah U.A.E.	100.00%

2. The audited financial statements as at 31st March, 2011 of JBF Global Pte Ltd, Singapore have been prepared by following Singapore Financial Reporting Standards except "FRS 32 Financial Instruments: Presentation & FRS 39 Financial Instruments: Recognition and Measurement" in relation to evaluating and accounting of equity conversion option and/or embedded derivative in cumulative participatory convertible preference shares convertible at the option of the holder, which has been qualified by the Auditors & the audited financial statements of JBF RAK LLC (United Arab Emirates) 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.

In view of the above the assets, liabilities, income & expenditure of the subsidiaries as mentioned below have been accounted by following different Accounting Standards.

Sr no	Particulars	₹ in crores	Proportion of the item
1	Assets	2,021.37	43.64%
2	Liabilities	1,164.66	36.64%
3	Income	3,024.65	45.79%
4	Expenditure	2,609.95	43.50%

3. "Out of total 22,308,759 cumulative participatory convertible preference shares ("Preference Shares") at US\$3.09 per share issued by the JBF Global Pte Ltd, subsidiary of the Company, 13,964,536 preference shares have been redeemed at cost, for a consideration of US\$45,333,333 and 907,970 preference shares converted into 1,500,000 ordinary shares of the Company which the Company bought back for US\$16,715,367 as per the agreement entered with the holders of the preference shares in the September, 2010 have got cancelled under section 76k of the Singapore Companies Act. The premium of US\$16,087,144 arising from the buy-back of the 1,500,000 ordinary shares is recorded directly in equity of the subsidiary Company in its audited financial statements and accordingly the same has been adjusted against the consolidated reserves & surplus of the Company in the consolidated financial statements. Further the balance 7,436,253 Preference Shares have been acquired by the Company at a consideration of ₹ 191.48 Crores. Consequent to the above redemption, conversion, buy back, cancellation and acquisition of Preference Shares, JBF Global Pte. Ltd. became the wholly owned subsidiary of the Company."

4. The deferred tax liability as at 31st March 2011 comprises of the following:

(₹ in Crores)

(i) Deferred Tax Liability

Related to fixed assets
others

(ii) Deferred Tax Assets

Disallowance under Section 43B of the Income Tax Act, 1961
Others
Total

Deferred tax Liability (net)

As at 31.03.2011	As at 31.03.2010
143.68	134.53
1.53	1.54
145.21	136.07
0.78	1.09
1.42	1.27
2.20	2.36
143.01	133.71

5. Basic and Diluted Earnings per Share :

(₹ in Crores)

Net profit after tax

Less : Prior Period Adjustment

Less : Proposed Dividend on Preference Shares ₹ 36457.

Net profit after tax attributable to Equity Share holders for Basic EPS

Weight average no. of equity shares outstanding for Basic EPS

Basic Earning Per Share of ₹ 10 Each (₹)

Net profit after tax attributable to Equity Share holders for Basic EPS

Add : Interest expenses recognized on Foreign Currency Convertible Bonds net of Tax

Net profit after tax attributable to Equity Share holders for Diluted EPS

Weight average no. of equity shares outstanding for Diluted EPS

Diluted Earning Per Share of ₹ 10 Each (₹)

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

Number of Shares Used for calculating Basic EPS

Add : Potential Equity Shares (Foreign Currency Convertible Bonds)

Add : Potential Equity Shares (JBF ESOS-2009)

Number of Shares used for Calculating Diluted EPS

Current Year	Previous year
546.11	190.40
0.11	4.00
0.00	-
546.00	186.40
67,240,621	62,242,448
81.20	29.95
546.00	186.40
-	0.42
546.00	186.82
69,798,468	66,215,879
78.22	28.21
Current Year	Previous year
67,240,621	62,242,448
1,403,835	3,558,333
1,154,012	415,098
69,798,468	66,215,879

Note:- Since long term optionally convertible loan of ₹ 15.21 crores (previous year ₹ Nil) will be converted into such number of equity shares of ₹ 10 each at a price to be determined according to SEBI Rules & Guidelines prevailing at that time, total number of equity shares to be issued on exercise of conversion option is not certain and hence the same has not been considered for the computation of Diluted Earning Per Share.

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

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

Arya Texturisers & Twisters

Arya Industries

Vaidic Resources Pvt. Ltd.

JBF Global FZE

II. Key Managerial Personnel :

Mr. B.C. Arya

Mr. R.Gothi

Mr. P.N.Thakore

Mr. N.K.Shah

Mr. Cheerag Arya

III. 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

Ms. Akansha P. Thakore

Relative of Shri P.N. Thakore

IV. Transaction with Related Parties :

(₹ in Crores)

Sr. No.	Particulars	Enterprises over which the Key Managerial Personnel has significant influence		Key Managerial Personnel		Relatives of Key Managerial Personnel		Total	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Loans & Advances								
	a) Opening Balance	31.07	0.60	--	--	--	--	31.07	0.60
	b) Given during the year	--	31.07	--	--	--	--	--	31.07
	c) Refunded during the year	7.63	0.60	--	--	--	--	7.63	0.60
	d) Balance as at 31.03.2011	23.44	31.07	--	--	--	--	23.44	31.07
2	Sundry creditors as at 31st March, 2011	1.53	0.39	--	--	--	--	1.53	0.39
3	Dividend paid	2.34	1.95	15.20	12.62	0.18	0.15	17.72	14.72
4	Expenditures								
	Purchases	36.24	21.15	--	--	--	--	36.24	21.15
	Remuneration/Sitting Fees			10.50	7.21	0.30	0.25	10.80	7.46
5	Equity Shares allotted on exercise of ESOP	--	--	0.14	--	--	--	0.14	--

Notes to Related Party Transactions:

- i) Loans & Advances includes ₹23.44 Crores given to JBF Global FZE .
- ii) Sundry Creditors includes ₹ 1.53 Crores from Arya Industries.
- iii) Dividend paid includes ₹ 14.07 Crores , ₹ 2.34 Crores & ₹ 1.13 Crores to Mr. B C Arya & Vaidic Resources Pvt. Ltd and Mr. Cheerag Arya respectively.
- iv) Expenditures: Purchases include ₹ 36.24 Crores from Arya Industries. Remuneration include ₹ 5.37 Crores , ₹ 4.11 Crores & ₹ 0.55 Crores to Mr.B C Arya , Mr. Cheerag Arya & Mr.Rakesh Gothi respectively.
- 7** 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, 2011.
- 8** As approved by the shareholders at their meeting held on 5th March, 2010, during the year 52,90,471 Equity Shares of ₹ 10 each fully paid up at a premium of ₹ 147.15 per share have been allotted to Qualified Institutional Buyers. Net issue proceed received has been fully utilised towards additional working capital and investments in subsidiary company.

9 Segment Information as per Accounting Standard -17 on Segment reporting for the year ended 31st March, 2011

i Information about primary (Geographical) segment :

(₹ in Crores)

	Domestic		International		Total Consolidated	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1.Segment Revenue						
Net Turnover	3,557.99	2,691.31	3,018.90	2,376.41	6,576.89	5,067.72
Other Income	23.28	41.61	5.75	5.44	29.03	47.05
Total Income	3,581.27	2,732.92	3,024.65	2,381.85	6,605.92	5,114.77
Less : Inter Segment Revenue	35.90	51.73	78.28	77.53	114.18	129.26
	3,545.37	2,681.19	2,946.37	2,304.32	6,491.74	4,985.51
2.Results						
Segment Results	354.72	244.90	482.52	149.39	837.24	394.29
Interest & Finance Charges	163.12	61.89	67.82	65.58	230.94	127.47
	191.60	183.01	414.70	83.81	606.30	266.82
Provision for Income Tax	60.18	54.01	0.01	0.01	60.19	54.02
Net Profit / (Loss)	131.42	129.00	414.69	83.80	546.11	212.80
3.Other Information						
Total Segment Assets	2,610.90	2,106.77	2,021.37	1,526.99	4,632.27	3,633.76
Total Segment Liabilities	2,013.87	1,554.56	1,164.66	841.96	3,178.53	2,396.52
Capital Expenditure	225.33	246.35	264.29	*(101.02)	489.62	145.33
Depreciation	73.37	62.21	58.06	55.04	131.43	117.25
Non - Cash Expenditure other than Depreciation	--	--	--	--	--	--

* due to exchange gain on account of translation of fixed assets.

ii Notes :

- 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, results, assets and liabilities include the respective amount identifiable to each of the segments.

iii Secondary Segment information : Product wise

In the opinion of the management, the company is engaged in two business segments 1) Polyester Film 2) Other Polyester Products.

(₹ in Crores)

1. Segment Revenue

	Current Year	Previous Year
a) Polyester Film	1,149.35	484.02
b) Other Polyester Products	5,331.41	4,483.79
c) Unallocable	10.98	17.70
Total	6,491.74	4,985.51

2. Segment Assets

a) Polyester Film	844.31	657.27
b) Other Polyester Products	3,494.15	2,790.61
c) Unallocable	293.81	185.88
Total	4,632.27	3,633.76

3. Total Capital Expenditure

a) Polyester Film	29.32	23.39
b) Other Polyester Products	459.25	120.46
c) Unallocable	1.05	1.48
Total	489.62	145.33

10 Auditor's Remuneration

(₹ in Crores)

	Current Year	Previous Year
Audit Fees	0.65	0.38
Tax Audit Fees	0.07	0.06
Certification Fees	*0.08	0.20
Out of Pocket Expense	0.03	0.02
	0.83	0.66

* ₹ 0.07 Crores (Previous Year ₹ Nil) considered as share issue expenses

11 Directors' Remuneration

(₹ in Crores)

	Current Year	Previous Year
Managerial Remuneration		
a) Salary *	8.27	5.17
b) Commission	1.90	1.65
c) Other Benefits	0.33	0.39
	10.50	7.21

* Salary includes Contribution to Provident Fund ₹ 39,000 (Previous Year ₹ 39,000)

(i) Liability for Gratuity and Leave Encashment is provided on actuarial basis for the Company as a whole, the amount pertaining to directors is not ascertainable and, therefore, not included above.

(ii) The benefit value in respect of Nil (Previous Year 1,35,000) stock options granted to the full time & executive directors is not considered for the above purpose.

12 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 and reserved issuance of 21,78,486 Equity Shares of ₹ 10/- each for offering to eligible employees of the Company.
- On 25th September, 2009 the Company 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 70,784 (Previous Year 1,81,800) Options have been Lapsed during the year 2010-11.
- During the year the Company has further granted 45,000 Options convertible into Equity Shares of ₹ 10 each to 4 employees. The Exercise Price of the Options was fixed at ₹ 60 each for conversion in to one Equity Share of the Company.
- 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

v. All the Options granted till date have an exercise period of Twenty Four months from the date of their vesting.

vi. 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:

Particulars	₹ in Crores)	
	Current Year	Previous Year
Net Profit after tax	546.11	190.40
Prior Period adjustments	0.11	4.00
Proposed Dividend on Preference Shares (₹ 36,457 Previous Year ₹ Nil)	0.00	-
Net Profit as Reported	546.00	186.40
Less : Employee Compensation Expenses	1.23	0.93
Adjusted Proforma	544.77	185.47
Basic Earnings Per Share (₹)		
- As reported	81.20	29.95
- Proforma	81.02	29.80
Diluted Earnings Per Share (₹)		
- As reported	78.22	28.21
- Proforma	78.05	28.07

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

Particulars	(No. of Shares)	
	Current Year	Previous Year
i Outstanding at the beginning of the year	19,72,200	-
ii Granted during the year	45,000	21,54,000
iii Lapsed during the year	70,784	1,81,800
iv Exercised during the year	556,704	-
v Expired During the year	-	-
vi Outstanding at the end of the year	13,89,712	19,72,200
vii Exercisable at the end of the year	110,550	-
viii Weighted average Intrinsic value of Options granted during the year	₹106.32	₹ 36.40

13 Disclosure of Financial and Derivative instruments

a) Derivative contracts entered into by the company and outstanding as on 31st March 2011

Particulars	₹ in Crores)	
	Current Year	Previous Year
Currency & Interest Swap with option structure	88.80	89.95
Interest Rate Swaps	105.23	153.96

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

c) The loss of ₹ 84.09 Crores in respect of foreign exchange and interest rate swap contracts for the year have been charged to the Profit and loss Account. Marked to market losses in respect of the derivative contracts for Currency & Interest Swap as on 31st March, 2011 is ₹ 148.83 Crores (Previous Year ₹ 70.48 Crores) , Out of which ₹ 144.63 Crores (Previous Year ₹ 63.37 Crores) have not been provided in the books of accounts since the company is of the view that the loss of ₹ 144.63 Crores (Previous Year ₹ 63.37 Crores) may be payable only if loss conditions are triggered on observation dates starting from 3rd August, 2010 and ending on 3rd July, 2013. The loss if any, will be accounted for on actual settlements.

Bank of India with whom, above derivative transaction is outstanding has approved a line of credit to fund losses on account of above derivative transaction by way of debt, convertible loan and cumulative redeemable preference shares. Accordingly as on 31st March 2011, the Company has issued 26,61,363, 2.5% Cumulative Redeemable Preference Shares (CRPS) aggregating to ₹ 26.61 Crores & bank has disbursed loan of ₹ 26.61 Crores and optionally convertible loan of ₹ 15.21 Crores,

d) Foreign Currency exposure that are not hedged by derivative instruments as on 31st March, 2011 relating to :

Particulars	₹ in Crores)	
	Current Year	Previous Year
Receivables	485.17	270.83
Payables	1,296.29	798.84

e) JBF RAK LLC uses interest rate swap to hedge against the cash flow risks arising on the floating rate term loan. The change in the fair value of above derivative designated as cash flow hedge amounting to ₹ 2.82 Crores (Previous Year ₹ 7.11 Crores) has been recognised as " Hedge Reserve Account".

14 The details of Pre-operative expenditure capitalised is as under :

PARTICULARS	₹ in Crores)	
	As at 31st March, 2011	As at 31st March, 2010
EXPENDITURE :		
Raw material Consumed	0.64	1.53
Colour & Chemicals and Oil & Lubricants	0.02	0.04
Other Manufacturing Expenses	0.23	0.31
Power & Fuel	0.79	0.78
Security charges	-	0.02

Packing material Consumed	0.04	0.12
Repairs & Maintenance-Others	-	0.01
Salary & Wages	1.13	1.39
Employees Welfare & Other Amenities	0.11	0.15
Sales Promotion & Distribution	0.01	0.11
Rent	-	0.36
Insurance	0.25	0.19
Travelling & Conveyance	0.06	0.11
General Expenses	0.02	0.07
Legal & professional Fees	1.21	0.42
Bank & Finance Charges	10.65	3.74
Interest	6.30	23.77
	21.46	33.12
Less : Income during construction period :		
Sales Realisation	0.11	1.20
Net Pre Operative Expenditure for the Year	21.35	31.92
Add : Pre Operative Expenditure upto Previous Year	7.34	31.33
	28.69	63.25
Less : Allocated to Fixed Assets	9.98	55.91
Closing Balance	18.71	7.34

15 Contingent liabilities in respect of -

	As at 31st March, 2011	As at 31st March, 2010
a) Estimated amount of Contract remaining to be executed on Capital Account and not provided for (net of advances) (Cash outflow is expected on execution of such capital contracts, on progressive basis)	183.74	203.90
b) Contingent Liabilities :		
I Bills discounted	--	---
II Guarantees issued by the Bankers (Bank Guarantees are provided under contractual / legal obligation. No cash outflow is expected)	190.18	180.34
III Letter of Credit (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 expected on the basis of payment terms mentioned in Letter of Credit)	147.60	298.11
IV Demands not acknowledged as debts		
a) Income Tax (No cash flow is expected)	7.41	0.94
b) Excise Duty (No cash outflow is expected)	1.26	1.76
c) Service Tax (No cash outflow is expected)	1.49	1.49
d) Others	0.09	0.09

16 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.

17 JBF RAK LLC subsidiary of the company has obtained Land on lease from RAKIA for a period of 25 years. The total commitments in respect of lease rent at current rates and mortgage fee are as follows:

Future minimum lease payments:	Current Year	Previous Year
Within one year	1.31	1.22
After one year but not more than five years	9.67	4.70
More than five years	34.97	7.50
Total operating lease expenditure contracted for at the reporting date	45.95	13.42

18 Previous year's figures have been reworked/ regrouped/ rearranged and reclassified wherever necessary. Amount and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amount and other disclosures relating to the current year.

As per our report of even date

For CHATURVEDI & SHAH

Chartered Accountants

R. KORIA

Partner

Place : Mumbai

Date : 26th May, 2011

For & on behalf of the Board of Directors

B.C. ARYA

Chairman

P. N. THAKORE

Director- Finance

RAKESH GOTHI

Managing Director

B.R. GUPTA

Director

UJJWALA APTE

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2011.

(₹ in Crores)

PARTICULARS	Year Ended 31st March, 2011 AMOUNT	Year Ended 31st March, 2010 AMOUNT
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax as per Profit & Loss Account	606.30	266.82
Adjustment for :		
Depreciation and amortisation	131.43	117.25
Employee Stock Option Cost	3.28	2.26
Interest and Finance Charges	189.07	83.56
Reversal of Provisions for diminution in value of Current Investments	(0.73)	(4.23)
Loss on sale of Fixed assets (net)	4.40	0.86
(Profit)/Loss from Current/Long term Investments (net)	(0.65)	0.76
Provision for doubtful debts	6.49	1.12
Interest Income	(8.17)	(2.32)
Dividend Income	(3.90)	(2.02)
Extinguishment of Liability on Buyback of FCCB	--	(17.46)
Sundry Balances written off/ (back) (net)	(7.07)	(0.07)
Foreign Exchange Difference (Net) *	(20.32)	(76.21)
Operating profit before working capital changes	900.13	370.32
Adjusted for :		
Trade and Other receivables	(188.63)	(210.94)
Inventories	(221.20)	(116.60)
Trade Payables	360.74	197.17
Cash generated from operations	851.04	239.95
Direct taxes paid/ TDS deducted/Refund received/FBT	(54.61)	(40.90)
Cash generated before prior year Adjustments	796.43	199.05
Prior year adjustments	(0.11)	(4.00)
Net cash from operating activities (A)	796.32	195.05
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchases of fixed assets	(442.26)	(175.64)
Sale of fixed assets	2.27	0.78
Purchases of Investments	(655.19)	(409.29)
Sale of Investments	659.57	317.86
Movements in Loans and Advances (Net)	(98.23)	41.15
Dividend Income	3.86	2.02
Interest received	7.56	2.88
Fixed Deposits with bank held for more than three months -placed	(46.00)	(5.00)
Fixed deposits with banks held for more than three months - matured	4.04	5.33
Net cash used in investing activities (B)	(564.38)	(219.91)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue of Equity Shares including Security Premium	86.48	--
Shares Issue Expenses	(3.13)	--
Proceeds from long term loans	407.24	386.71
Repayment of long term loans	(205.62)	(230.85)
Short term Loans (Net)	198.80	12.76
Purchase of Minority in subsidiary	(457.82)	--
Foreign Exchange Difference (Net)	5.31	(5.20)
Interest and Finance Charges paid	(126.69)	(92.00)
Dividend paid (including dividend distribution tax)	(43.32)	(36.23)
Net cash from/(used) in financing activities (C)	(138.75)	35.19
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	93.19	10.33
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	94.85	84.52
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	188.04	94.85
Add: Fixed deposit with banks having maturity of more than three months	47.00	5.00
Closing balance of Cash and bank as per schedule " F "	235.04	99.85

*Includes ₹ 26.65 Crores (Previous Year ₹ 7.20 Crores) Exchange Difference on account of translation of Foreign Subsidiary Company's Financial Statements.

- 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 .
 - Cash and cash equivalent Includes amount lying in Margin money Account amounting to ₹ 41.37 Crore (Previous year ₹ 30.50 Crore), Fixed Deposit in lien with bank amounting to ₹ 6.20 Crore (Previous year ₹ 2.82 Crore) and matured Dividend Accounts amounting to ₹ 0.81 Crore (Previous year ₹ 0.57 Crore)
 - The figures of previous year have been recast, rearranged and regrouped wherever considered necessary.
 - Figures in brackets indicate outflows.

As per our report of even date

For CHATURVEDI & SHAH
Chartered Accountants

R. KORIA
Partner

Place : Mumbai
Date : 26th May, 2011

B.C. ARYA
Chairman

P.N. THAKORE
Director- Finance

For & on behalf of the Board of Directors

RAKESH GOTH
Managing Director

B.R. GUPTA
Director

UJJWALA APTE
Company Secretary

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.