



JBF Industries limited

**ANNUAL
REPORT
2020-2021**



Content

| | |
|--|----|
| Corporate Information | 01 |
| Directors' Report | 02 |
| Management Discussion & Analysis | 06 |
| Corporate Governance Report | 10 |
| Business Responsibility Report | 20 |
| Extract of Annual Return (Form No.MGT - 9) | 25 |
| Details Pertaining to Remuneration | 29 |
| Report on CSR Activities | 30 |
| Secretarial Audit Report | 31 |

STANDALONE FINANCIAL ACCOUNTS

| | |
|-------------------------------------|----|
| Independent Auditors' Report | 33 |
| Balance Sheet | 38 |
| Statement of Profit & Loss | 39 |
| Statement of Change in Equity..... | 40 |
| Notes to Financial Statements | 41 |
| Cash Flow Statement | 74 |

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

Corporate Information

Board of Directors

Mr. Bhagirath C. Arya
Chairman Upto 30.12.2020
Non-Executive Director w.e.f 31.12.2020

Mr. Ravi A. Dalmia
Independent Director

Mr. Yash Gupta
Addl. Director
(w.e.f. 12.02.2021)

Mrs. Sangita V. Chudiwala
Independent Director

Mr. S N. Shetty
Executive Director

Mr. Satish Mathur
Addl. Independent Director
(w.e.f. 12.02.2021)

Mrs. Ujjwala Apte
Executive Director

Mr. Suresh Choudhary
Independent Director
(upto12-02-2021)

Company Secretary

Ujjwala Apte

Statutory Auditors

S.C. Ajmera & Co.
Chartered Accountants

Internal Auditors

Bhuwania & Agrawal Associates
Chartered Accountants

Main Bankers

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

Standard Chartered Bank
IDBI Bank Ltd.
Axis Bank Ltd.
Union Bank of India

Indian Overseas Bank
ICICI Bank Ltd.

Registered Office

Survey No. 273,
Village Athola,
Dadra and Nagar Haveli and Daman and
Diu, Silvassa - 396230, India.

Corporate Office

8th Floor, Express Towers,
Nariman Point, Mumbai - 400021.
Tel Nos : 22 88 59 59 Fax No : 22 88 63 93
Website : www.jbfindia.com

E-mail Address

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

Plants

- Survey No. 273, Village Athola, Dadra and Nagar Haveli and Daman and Diu, Silvassa.
- 156/2, Village Saily, Saily-Rakholi Road, Dadra and Nagar Haveli and Daman and Diu, Silvassa.
- Plot No. 11,12 and 215 to 231 and 7-13,7-12,SR No. 19/2/P1, Nargol Road, GIDC, Sarigam, Tal: Umbergaon, Vapi, Gujarat

Subsidiaries

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

JBF TRADE INVEST PTE LTD
112, Robinson Road, # 05-01, Singapore - 068902

JBF PETROCHEMICALS LTD
SEZ Mangalore, India.

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

JBF GLOBAL EUROPE BVBA
Nijverheidsweg 4, 2430 Laakdal, Belgium

JBF BAHRAIN W.L.L. (Previously known as JBF Bahrain S.P.C.)
PO Box 50397, Salman Industrial City, Al, Kingdom of Bahrain

R & T Agents

M/s. Link Intime India Pvt. Ltd.
C 101, 247 Park, LBS Road, Vikhroli (West),
Mumbai - 400 083.

Annual General Meeting

On Tuesday, 28th September, 2021
at 11.30 a.m (IST) via two-way Video
Conferencing ('VC') facility or other
audio visual means ('OAVM')

DIRECTORS' REPORT

DEAR SHAREHOLDERS,

Your Directors have pleasure to present the Thirty-Ninth Annual Report and the Company's Audited Financial Statement for the year ended 31st March, 2021.

The Company's financial performance, for the year ended on 31st March, 2021 is summarized below:

FINANCIAL RESULTS

(₹ Crore)

| PARTICULARS | Year ended on 31st March, 2021 | Year ended on 31st March, 2020 |
|--|-----------------------------------|-----------------------------------|
| Revenue from Operations | 2,205.45 | 2,812.90 |
| Other Income | 10.73 | 26.61 |
| Profit from the year before Finance cost, Depreciation and exceptional items | 143.63 | 76.74 |
| Less : Finance Cost | 243.02 | 247.10 |
| Less : Depreciation and Amortisation Expenses | 87.78 | 94.48 |
| Less : Exceptional Item | 2.67 | 67.41 |
| Loss Before Tax | (189.84) | (332.25) |
| Current Tax | -- | -- |
| MAT Credit Entitlement | -- | -- |
| Short/(Excess) Provision of Tax of Earlier Years (Net) | 3.63 | -- |
| Deferred Tax | 0.06 | (0.16) |
| Loss for the year | (193.53) | (332.09) |
| Other Comprehensive Income | (0.12) | (1.18) |
| Total Comprehensive Income for the year | (193.65) | (333.27) |

IMPACT OF COVID 19

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company's operations and revenue during the period were impacted due to COVID-19. The Company has taken into account the possible impact of COVID-19 in preparation of the financial statements, including its assessment of recoverable value of its assets based on internal and external information upto the date of approval of these financial statements and current indicators of future economic conditions.

DIVIDEND

The Company is currently facing liquidity crunch and incurring losses. Hence, your Directors have not recommended dividend on equity shares of the Company for the year 2020-21.

However, the dividend on the preference shares will be carried forward for payment in the next financial year.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2021 was ₹81.87 Crore. Crore and Preference Share Capital as on 31st March, 2021 was ₹14.91 Crore.

PERFORMANCE OF THE COMPANY

The Company's revenue for Financial Year 2020-21 was ₹ 2205.45 Crore as against ₹ 2812.90 Crore for the previous year, due to adverse market conditions, Covid 19 and reduction in margins.

During the year, the Production of Polyester Chips was to 293,877 MT, and Production of POY & yarn was 193,587 MT.

DIRECTOR'S

Mr. S N Shetty who retires by rotation and being eligible offers himself for re-appointment.

Mr. Yash Gupta, has been appointed as Additional Director – Production, on 12th February, 2021 to hold office till the date of this Annual General Meeting.

Mr. Satish Mathur has been appointed Additional Independent Director on 12th February, 2021 to hold office till the date of this Annual General Meeting.

Mr. Yash Gupta and Mr. Satish Mathur, showed their willingness to continue as Directors and hence Board of Directors proposed to obtain the approval from shareholders in coming Annual General Meeting.

All Independent Directors have given declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

BRIEF PROFILE OF DIRECTOR

Mr. S N Shetty (Din :07962778)

- Qualified with a Bachelor of Commerce as well as Law and Administrative Management.
- Equipped with varied experience in Human Resources, General Administration and Legal departments.
- Presently appointed as the Group – Senior Vice President – Legal, Administrative & HR. He had joined the Company as the General Manager – Legal & Administration in 1992.

Mr. Yash Gupta (Din : 06843474)

- Qualified with a Bachelor of Commerce and also Chartered Accountant, registered with Institute of Chartered Accountant of India, New Delhi.
- Having experience of Twenty Eight (28) years experience in financial and accounts.
- Has been inducted on the Board of the Company as Additional Director w.e.f 12th February, 2021.

Mr. Satish Mathur (Din : 03641285)

- Retired IPS has completed over 37 years of service in the INDIAN POLICE SERVICE. He spent over a decade directly handling anti corruption and vigilance related work at all levels in Central and State police organisations as well as Govt of India PSU.
- Has been inducted on the Board of the Company as Additional Director w.e.f 12th February, 2021.

BOARD EVALUATION

Pursuant to the provision of the Companies Act, 2013 and Regulation 4(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, a structured questionnaire was prepared after taking into consideration of various aspects of the Board's functioning, composition of Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

BOARD COMMITTEES

As per the requirement of the Companies Act, 2013 and of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board of Directors of the Company has Seven Committees namely Audit Committee, Stakeholders Relationship Committee, Risk Management Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Prevention of Sexual Harassment Committee and Finance Committee.

The details of the constitution of the Committees and the meetings held during the financial year 2020-21 are included in the Corporate Governance Report forming part of Annual Report.

KEY MANAGERIAL PERSONNEL

Following are the Key Managerial Personnel of the Company:

| Sr. No. | Name of the Person | Designation |
|---------|-----------------------|--|
| 1 | Mr. Bhagirath C. Arya | Chairman (upto 30.12.2020) Non- Executive Director (w.e.f.31.12.2020) |
| 2 | Mr. S. N. Shetty | Executive Director |
| 3 | Mrs. Ujjwala Apte | Executive Director & Company Secretary |
| 4. | Mr. Yash Gupta | Additional Director (w.e.f. 12.02.2021) |

NUMBER OF MEETINGS OF THE BOARD & AUDIT COMMITTEE

During the year Four Board Meetings and Four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and relevant provisions of LODR 2015 of SEBI except one of Board Meeting held on 10.09.2020 delayed by 78 days due to Covid -19 pandemic.

SUBSIDIARIES

Company has overseas subsidiary under the name and style JBF Global Pte Ltd at Singapore, which has subsidiaries, namely JBF Petrochemicals Ltd at Mangalore, India, JBF Trade Invest Pte Ltd at Singapore, and JBF RAK LLC, at U.A.E with its own subsidiaries, JBF Bahrain W.L.L. at Bahrain and JBF Global Europe BVBA at Belgium.

Financial restructuring/negotiation with lenders/ investors are under process hence the audited financial statements of its subsidiaries are not available. The Company is unable to prepare the consolidated financial statements 31st March, 2021. The same has been referred by the auditors in their report.

EXPLANATION/COMMENTS ON AUDIT QUALIFICATIONS

1. The company's Business as a going concern :

The Company is working closely with its lenders to find a resolution to settle their outstanding dues.

Currently, all the plants of Company are operational and generating positive cash-flows. In the light of above, the management is of the view that the operations of the Company have not been adversely effected despite the on-going pandemic and hence will continue to prepare the financial statement on a "going concern" basis.

2. Interest @ 9% on Borrowings

Company has provided interest @ 9% p.a. on borrowings aggregating to 2,364.98 crore for the period from 1st April, 2020 to 31st March, 2021 as against the documented rate resulting into lower provision of finance cost for the year 31st March, 2021 by 178.01 crores.

Management is of the view that ultimate liability will not be more than 9%.Therefore the Company is continues to recognise the same on 9%.

3. Subsidiaries Exposure

Company has exposure in subsidiaries by way of investments, loans and other receivables aggregating to 1,469.63 crores. No exercise is undertaken to determine impairment, if any.

JBF RAK LLC's plant located at Ras al-Khaimah in U.A.E, a subsidiary of JGPL partially resumed commercial operations in month of April 2021. JBF RAK is working closely to resolve and address outstanding financial issues with its lenders. Uncertainty is also faced in respect of PTA project at Mangalore, being executed by JPL, due to suspension of operation as planned and default in servicing of its borrowings towards principle and interest. The lenders of JPL have also invoked the pledged equity shares of JPL held by JGPL and corporate guarantee of the Company. One of the lenders of JPL has made an application with National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016.

In view of the above, the impairment testing in respect of the Company's exposures to its subsidiaries could not be carried out and hence no provision for impairment, if any, has been provided for.

4. Claim filed by an Operational Creditor of JBF RAK LLC, (step-down subsidiary of the company)

An application filed with National Company Law Tribunal (NCLT), by the one of the operational creditors of JBF RAK LLC (JBF RAK), situated at UAE, a subsidiary of the Company, against the Company, for supply of raw materials to JBF RAK and claim of 128.48 Crore (US\$ 19,899,091.53) as per notice dated 17.02.2020. No provision has been considered for the above claim.

Management is of the view that in view of negotiation with the above creditor by JBF RAK and based on past settlement by the Company with above creditors in respect of raw material purchased by the Company, there will be no liability on account of it to the Company and hence no provision is required towards above claim

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report on the operations of the Company, as required under SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 is provided in a separate section and forms an integral part of this Report.

CORPORATE GOVERNANCE

As per Regulations 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, a separate section on corporate governance practices followed by the Company (including disclosures prescribed under Section II of Part II of Schedule V of the Companies Act, 2013), together with a certificate from the Company's Auditors on compliance forms an integral part of this report.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report as per Regulation 34(2) of SEBI (Listing Obligations and Disclosure requirement) Regulations, 2015, is annexed and forms an integral part of the Report.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013, is annexed and forms an integral part of this Report.

CORPORATE SOCIAL RESPONSIBILITY

As a part of its initiative under the "Corporate Social Responsibility"(CSR) drive, the Company has undertaken projects in the area of rural development. The disclosures required under section 135 of the Companies Act, 2013, read with the rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed to Directors' Report.

DISCLOSURE UNDER RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION) RULES, 2014

The information required pursuant to Section 197 read with rule 5(1) of the Companies (Appointment and Remuneration) Rules, 2014 in respect of employees of the Company and Directors is enclosed in the Annual Report.

The statement containing particulars of remuneration of employees as required under Section 197(12) of the Act, read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given in an annexure to the Annual Report. In terms of Section 136(1) of the Act, the Annual Report is being sent to the Member shoving the aforesaid annexure. The information is also available for inspection by the Members at the Registered Office of the Company during business hours on all working days except Saturdays and Sundays. Any Member desirous of obtaining a copy of the said annexure may write to the Company Secretary and the same will be furnished on request.

COMPANY POLICIES:

The company has formulated various policies which are available on our website : www.jbfindia.com

NOMINATION AND REMUNERATION POLICY

The Company has formed Nomination and Remuneration Committee and framed the Remuneration Policy. The Committee has been given responsibility of appointment and re-appointment of Whole-time Director, Directors, Key Managerial Persons and the specified employees / executives of the Company and approving their remuneration based on their qualification experience and responsibility in the Company.

The salient features of Remuneration policy are included in Corporate Governance Report forming part of this annual report.

Risk Management Policy

As a good governance practice, the Company has constituted Risk Management Committee. The Company has a Risk Management Policy and team evaluate business risks.

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

Related Party Transactions Policy

As per statutory requirement the Company has framed related party transaction policy. As a policy all Related Party Transactions including sale and purchase entered into with Subsidiary Companies, if any, are placed before the Audit Committee and also before the Board for approval. Omnibus approval was obtained on a quarterly / annual basis for such transactions which are of repetitive nature.

There are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. The Company has also formulated policy on materiality of Related Party Transactions.

Whistle Blower Policy

A whistle blower policy in terms of the Listing Regulations includes Ethics & Compliance for senior executives of the Company. It also includes vigil mechanism. Confidential disclosures can be made by whistle blower through an e-mail, or a letter to the Committee member or to the Chairman of the Audit Committee.

The efforts is taken to accept the observations of the whistle blower and the action are taken accordingly.

Prevention of Sexual Harassment at Workplace Policy and Preservation of Documents Policy

The company has also constituted prevention of sexual harassment at workplace policy and preservation of documents policy. Separate Management Teams are appointed to review periodically at different locations of the Company. These policies are also available on website of the Company.

FOREIGN EXCHANGE EARNING AND OUTGO

Foreign exchange earnings by way of export and Freight were ₹ 543.47 crore against outgo of ₹ 23.89 crore on import of raw materials, stores, spares & consumables.

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.

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS BY COMPANY

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements (refer Note no.41)

INSURANCE

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

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3) (c) of the Companies Act, 2013:

- i. that in the preparation of the Annual Accounts for the year ended 31st March, 2021, the applicable Indian Accounting Standards (IND-AS) have been followed along with proper explanation relating to material departures, if any;
- ii. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 and of the profit/loss of the Company for the year ended on that date;
- iii. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the annual accounts have been prepared on a going concern basis;
- v. that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi. that the Directors had devised proper systems were adequate and operating effectively.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Board has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made hereunder, the Company has appointed M/s. Jagdish Patel & Co., a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as and forms an integral part of this Report.

STATUTORY AUDITOR

The Board of Directors of the Company has appointed of M/s. S C Ajmera & Co, Chartered Accountants, Udaipur (Registration No. 002908C) as the Statutory Auditors of the Company for three years pursuant to Section 139 of the Companies Act, 2013.

Accordingly, the Board seeks approval of Shareholders of the company for the appointment of Statutory Auditors as mentioned in the notice of the Annual General Meeting.

COST AUDITOR

The Board of Directors has approved appointment of Mr. Vijay Bavchandbhai Patel, Cost Accountant as the Cost Auditor of the Company to conduct cost audit and give report for the year 2021-22. The notice of Annual General Meeting includes the resolution to obtain consent of the shareholders.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators/ Courts that would impact the going concern status of the Company and its future operations.

However, the consortium of lenders, lead by Bank of Baroda has filed an application under Section 7 of IBC Code with NCLT Ahmedabad Branch. The said application was dismissed in month of April, 2021.

One of the operational creditor of the Company i.e M/s SABIC Asia Pacific Pte.Ltd made a fresh application before NCLT for recovery of its dues.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an effective internal control and risk-mitigation system, which are assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal audit is entrusted to M/s. Bhuvania & Agrawal Associates. Every quarter internal audit report is placed before the Audit Committee and the Audit Committee of the Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same.

ENVIRONMENT AND SAFETY

The Company has constituted Committee for prevention of sexual harassment at work place with a mechanism of lodging complaints. During the year under review no complaints were reported to the Board.

ACKNOWLEDGEMENT

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

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

For and on behalf of the Board of Directors

S. N. SHETTY
Director
DIN-07962778

UJJWALA APTE
Director
DIN-00403378

Place : Mumbai
Date : 12th August, 2021

ANNEXURES TO THE DIRECTORS' REPORT

A Statement containing necessary information as required under section 134(6) of the Companies Act , 2013 The relevant information is given below:-

The relevant information is given below:-

A . POWER & FUEL CONSUMPTION

| | For the year Ended 31.03.2021 | For the year Ended 31.03.2020 |
|--------------------------------------|-------------------------------------|-------------------------------------|
| 1.Electricity | | |
| Purchased Units (in thousands) | 2,65,743 | 3,21,861 |
| Total Amount (₹ in Crores) | 157.11 | 180.36 |
| Rate / per unit (₹) | 5.91 | 5.60 |
| 2. Furnace Oil | | |
| Consumed (Kgs in thousands) | 13.08 | 14.99 |
| Total Amount (₹ in Crores) | 0.04 | 0.05 |
| Rate/ per kg (₹) | 30.37 | 31.16 |
| 3. Light Diesel Oil & HSD | | |
| Consumed (Ltrs in thousands) | 76.12 | 53.63 |
| Total Amount (₹ in Crores) | 0.54 | 0.37 |
| Rate/ per Ltr (₹) | 71.12 | 69.23 |
| 4. Natural Gas | | |
| Consumed (Gcal) | 140.83 | 165.52 |
| Total Amount (₹ in Crores) | 0.05 | 0.07 |
| Rate/ per Gcal (₹) | 3,902.39 | 4,077.64 |
| 5. Coal | | |
| Consumed (MTI) | 52,385 | 63,414 |
| Total Amount (₹ in Crores) | 30.73 | 35.23 |
| Rate/ per MT (₹) | 5866.93 | 5,554.88 |

B. CONSUMPTION PER UNIT OF PRODUCTION

| | For the year Ended 31.03.2021 | For the year Ended 31.03.2020 |
|---|-------------------------------------|-------------------------------------|
| 1.Electricity (kwh /Ton of Product) | | |
| a) Polyester Chips | 173 | 170 |
| b) Polyester Filament Yarn (POY) | 1,138 | 1,078 |
| c) Polyester Processed Yarn | 1,045 | 1,010 |
| 2. Furnace Oil (Kgs/Ton of Product) | | |
| a) Polyester Chips | 0.01 | 0.01 |
| b) Polyester Filament Yarn (POY) | 0.15 | 0.14 |
| 3. Light Diesel Oil & HSD (Ltrs/Ton of Product) | | |
| a) Polyester Chips | 0.05 | 0.04 |
| b) Polyester Filament Yarn (POY) | 0.46 | 0.22 |
| c) Polyester Processed Yarn | 0.00 | 0.00 |
| 4. Natural Gas (Gcal/Ton of Product) | | |
| a) Polyester Chips | 0.00 | 0.00 |
| 5. Coal (Kgs/ Ton of Product) | | |
| a) Polyester Chips | 178.25 | 181.73 |

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 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. The data presented herein is based on JBF’s internal Research, publications in public domain and conducted studies.

GLOBAL ECONOMIC OVERVIEW

The calendar year 2020 was a great disruption unleashed by a viral pandemic that hit the world economy very hard. The pandemic spread like a forest fire, reaching every corner of the world, infecting more than 90 million and killing close to 2.8 million people worldwide (as of March 2021). For several months, uncertainties and panic paralyzed most economic activities in both developed and developing economies. The pandemic has exposed the systemic vulnerability of the world economy. Building economic, social and environmental resilience must guide the recovery from the crisis.

World gross product fell by an estimated 4.3 percent in 2020, the sharpest contraction of global output since the Great Depression. The pandemic hit the developed economies the hardest, given the strict lockdown measures that many countries in Europe and several states of the United States of America imposed early on during the outbreak. The developing countries experienced a relatively less severe contraction, with output shrinking by 2.5 percent in 2020. Their economies are projected to grow by over 5.5 percent in 2021.

The global recovery, which has been dampened in the near term by a resurgence of COVID-19 cases, is expected to strengthen as confidence, consumption, and trade gradually improves, supported by ongoing vaccination. Activity is expected to strengthen in the second half of this year and firm further next year, as improved COVID-19 management aided by ongoing vaccination allows for an easing of pandemic control measures. Global economic output is expected to expand 4 percent in 2021 but still remain more than 5 percent below pre-pandemic projections. Global growth is projected to moderate to 3.8 percent in 2022, weighed down by the pandemic’s lasting damage to potential growth.

Indian Economic Overview

Financial Year 2020-21 started with a Nation-wide lockdown in India, although India emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships. The Economic Survey has projected that the economy will grow at 11 percent, up from an estimated historic decline of 7.7 percent in 2020-21, on account of the COVID-19 pandemic. Also, the vaccination drive is expected to provide an impetus for the restoration of contact-intensive sectors and a leading edge to the Indian pharma industry in the global market.

The government has the ambition of making India a USD 5 trillion economy by 2024 for which various initiatives have been undertaken in the last few years to improve ease of doing business, encourage Make in India, invite foreign companies to India with schemes like PLI (production-linked incentive) and tweak the legacy labor laws, Agri policies, etc. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the Government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally and increasing digital literacy.

With the shift in sentiment to reduce dependence on a single country i.e. China, there is an increasing interest from international companies wanting to invest in India. Interest is largely from Asia led by Japan, Korea and Thailand although we are also seeing interest from Europe. Some of these enquiries are in sectors such as agrochemicals, building products, logistics, packaging, and new-age technology including electronics, sectors where we have not seen significant interest in the past.

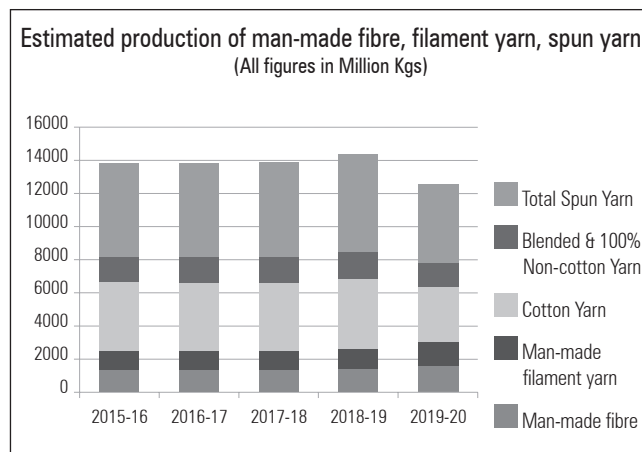
GLOBAL TEXTILES INDUSTRY

The global textile market size was projected at around USD 1,000 billion in 2020 and is expected to expand at a compound annual growth rate (CAGR) of 4.5% over the next decade. It is expected to reach USD 1,041.8 billion in 2021.

The textile industry is an ever-growing market, with the main countries being China, the European Union, the United States, and India. China is the world’s leading producer and exporter of both raw textiles and garments. The United States is the leading producer and exporter of raw cotton, while also being the top importer of raw textiles and garments. The textile industry of the European Union comprises Germany, Spain, France, Italy, and Portugal at the forefront with a value of around 20% share of world textile industry. India is the third-largest textile manufacturing industry globally. The rapid industrialization in the developed and developing countries and the evolving technology are helping the textile industry to have modern installations which are capable of high efficiency in production of raw material and finished textiles.

INDIAN TEXTILE INDUSTRY

The textiles and apparel industry in India has strengths across the entire value chain from fiber, yarn, fabric to apparel. It is highly diversified with a wide range of segments ranging from products of traditional handloom, handicrafts, wool and silk products to the organized textile industry. The organized textile industry is characterized by the use of capital-intensive technology for mass production of textile products and includes spinning, weaving, processing, and apparel manufacturing. India has also become the second-largest manufacturer of PPE in the world.



Source: Ministry of Textiles

The domestic textiles and apparel industry is the second-largest employer in the country providing direct employment to 45 million people and 60 million people in allied industries.

Subsequent to the onslaught of the pandemic India has also become the second-largest manufacturer of Personal Protective Equipments (PPE) in the world. Several companies have taken the initiative to produce PPE’s and have been certified to produce PPEs today, where global

market is expected to be over US \$50 million and estimated to have doubled by 2020.

Textile Vision of our Government is to achieve US\$ 350 billion by 2024-25. To achieve this textile Vision, our fibre base needs to be doubled. With implied limitations on growing cotton, MMF needs to grow three times from 4 billion kgs to 12 billion kg in next five years for India to achieve this Vision.

Source: <http://texmin.nic.in>

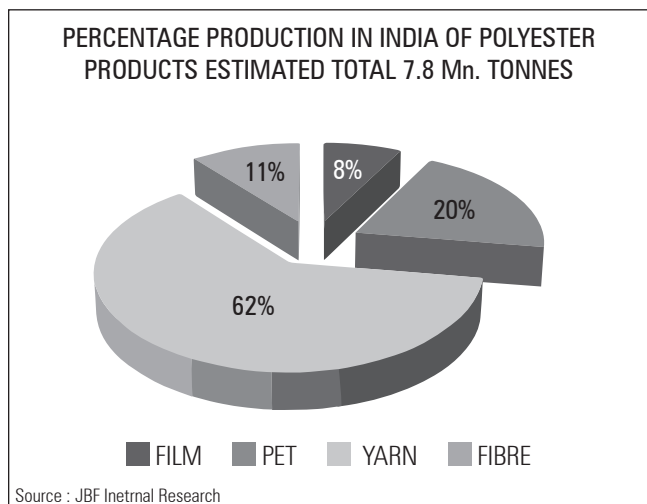
The domestic textiles and apparel industry contributes 2.3% to India’s GDP and 12% of the country’s exports. The Indian apparel market was USD 40 billion in 2020 and is targeted to reach USD 135 billion by 2025.

The Indian technical textiles market was estimated at \$20 bn in 2019-20 and grew at a CAGR of 10% since 2015-16. The domestic technical textile market for synthetic polymer was valued at \$7.1 bn in 2020 and is projected to reach \$11.6 bn by 2027, growing at a CAGR of 7.2%, while technical textile market for wovens is expected to grow at a CAGR of 7.4% to \$15.7 bn by 2027, up from \$9.5 bn in 2020.

Source : <https://www.investindia.gov.in/>

MAN MADE FIBER (MMF) AAND POLYESTER INDUSTRY

The domestic MMF industry mainly comprises of two components i.e., polyester and viscose, which together accounts for about 94% (in volume terms). Under this segment , polyester accounts for about 77.5% while viscose accounts for the remaining share. MMF is primarily used to produce 100% non-cotton fabrics and blended fabrics, which are in turn used in readymade garments, home textiles and other industrial textiles.



Factors such as increasing use in nonwovens and technical textiles, changing consumer trends including increasing emphasis on fitness and hygiene, rising brand consciousness, fast changing fashion trends, increasing women participation in workforce will further boost the demand of manmade fibres and especially Polyester.

India is 2nd largest producer polyester globally. India produces almost all the types of Polyetser Yarns and Fibres .Polyester can be attributed to its different properties such as high-strength, chemical and wrinkle resistance, and quick-drying. Apart from its major use in apparels, it is used in both, households as cushioning and insulating material in the pillows, and in industries for making carpets, air-filters, coated fabrics, and others.

By 2040, it is expected that consumption of polyester globally will be approximately three times to that of the cotton fibre. Hence, the manmade fabrics form one of the most attractive segments for future investments. Focus of the Indian manufacturers on cotton, domestic

unavailability of select on non polyester raw materials for high end products, and industries’ low willingness to invest in innovation and product development of various other man made fibres, make the Polyester segment a large untapped opportunity.

To encourage the industry, there has been Government support by way of abolition of anti-dumping duty on Purified Terephthalic Acid (PTA), a key raw material for the manufacture of Polyester. GST rates on Polyester have the incidence of inversion in the duty structure, as yarns incur a GST of 12% and raw materials 18%. This is expected to be corrected soon. So rationalization of GST on the manmade fiber value chain will help to boost growth of the manmade fiber sector.

Technical textiles are one of the fastest growing sub-segments in India and have been recognized as a critical growth area in textiles. With a view to position the country as a global leader in technical textiles, the Prime Minister and his Cabinet Committee on Economic Affairs (CCEA) have given the approval to set up a National Technical Textiles Mission with a total outlay of \$ 194 Mn, in February, 2020. CCEA has given its approval for introducing the Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP). This would lead to cost competitiveness of exported products in international markets and better employment opportunities in export-oriented manufacturing industries.

Source: <https://www.investindia.gov.in/>

Going forward, the textiles industry is expected to grow due to strong domestic consumption and export demand. Whereas, the Indian textiles industry still is cotton-oriented, polyester fibre consumption is increasing due to factors like cotton price fluctuations, extended presence and sourcing by global brands where polyester fibre is dominantly used, growth of value retails, and growth of womenswear. The Indian spinning industry is globally competitive, and India is not only self-sufficient in manufacturing polyester fibre and filament yarn, but also exports to other textile manufacturing countries.

POLYESTER CHIPS – PET INDUSTRY

Polyethylene Terephthalate (PET) is an essential contributor to the packaging industry worldwide– both in recycled and unrecycled form. The domestic production of PET resin and chips has grown at a CAGR of over 7.5%. to nearly 1.6 Mn MT in India currently. This growth is mainly a combination of increased export growth and a steady growth in domestic demand.

Installed capacity for PET has grown to nearly 2 Mn MT. Around 92% of the total PET production is used in bottles for beverages (alcoholic and non- alcoholic, health drinks, etc.), pharmaceutical and personal hygiene products.

According to a report published by the Chemical & Petrochemical Manufacturer’s Association of India the domestic demand for PET is estimated to grow at nearly 7% for the next three years compared to 4 to 5% growth in global demand.

Over the next five years, the global soft drinks market is expected to grow at a CAGR of 6%. PET is used increasingly in the Food and Beverages sector for packaging purposes, particularly in bottled soft drinks, due to its light weight and transportation efficiency. Around 60% of the total PET consumption for bottles comes from the beverage sector. Increasing population, improvement in purchasing power and growth in demand for portable food containers is expected to have a positive impact on the usage of PET in developing countries.

PET has significant sustainability advantages both in terms of its recyclable qualities. Relative to materials such as glass, PET usage also reduces the environmental impact and transportation cost due to its light weight.

In the Cosmetics industry, demand for bottled cosmetic goods is increasing due to urbanisation and improvement in standards of living. This has a direct impact on the PET demand in the developed and developing countries. Increases in capacity in FY20 and FY21 are attributed to the proposed expansions in Asia. Majority of these expansions are proposed in China, which is expected to remain a large exporter of PET. USA is expected to remain a net importer of PET in spite of the addition of new capacity.

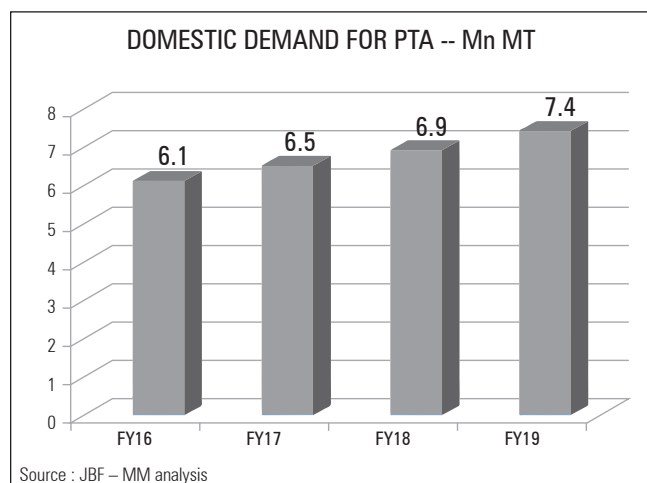
RAW MATERIALS USED - PURIFIED TEREPHTHALIC ACID (PTA)

On account of the rising disposable income along with the improved standard of living, the Asia Pacific region is anticipated to witness a steady growth over the forecasted time period. Additionally, the growth in PTA consumption is expected to be driven by high demand of polyester fibre in the international market. The largest use of PTA is for production of synthetic yarn, PET chips and flm. Globally about 30% of PTA is consumed by PET while fibers constituent about 65%. Replacement of glass bottles for alcoholic beverages with PET bottles will further add to the demand of PTA.

In India, the Indian domestic PTA supply is expected to tighten once the demand revives in H2 after expectations of dilution in pandemic issues. This could lead to import demand within India, but unavailability of containers and expensive freight are likely to dampen that demand.

Capacity Utilization of PTA is above 80% since last decade. Demand for PTA will increase at a CAGR of about 8% between fiscal year 2016 to 2021 and expected to reach 8 Mn tonnes from the 5 million tonnes in the present scenario. At the prevailing growth rate of Polyester Industry, India will require additional capacity of one PTA plant of standard size of around 1. Mn Tonnes per annum over every 3 to 4 years. PTA prices have been dependent on the rigorously fluctuating naphtha and PX prices in the international market in the face of volatile oil and gas prices. The declining value of the Indian Rupee against the US Dollar has led to an increase in the costs of feedstock procurement, which is the single largest cost of PTA production.

Global PTA Market has grown at a CAGR of 5-5.5 % between 2016-2020. Asia Pacific is major market for PTA, projected to be the most lucrative region market for the PTA market owing to the high production volumes in China and India.



RAW MATERIALS USED - MONOETHYLENE GLYCOL (MEG)

Global MEG markets witnessed capacity addition of around 4 Mn. Tonnes per annum already over supplied market. Global MEG operating

rates dropped to 2/3rds of capacity, however, in the second half of FY 2020-21, MEG markets demands increased following higher anti freeze requirement and lower supplies due to weather conditions in US.

The global MEG market is expected to witness significant growth over the forecast period on account of its widespread applications in numerous end-use industries including consumer goods, construction, automotive, pharmaceutical, textiles, and chemical processing. Rapid urbanization and changing lifestyle of consumers, particularly in emerging economies including China, India, Brazil and Mexico have been driving the packaging industry which in turn is anticipated to provide impetus to MEG market over the forecasted period.

MEG is primarily used in the manufacturing of PET and polyester resins. Rising demand for PET containers from various commercial and industrial end-use markets including packaging due to better strength and impact resistance is expected to positively drive MEG market over the next seven years. Polyester fabrics are extensively used in apparels, home furnishings, yarns & ropes and other industrial applications including conveyor belts and insulating tapes which are likely to drive the demand for MEG. Market for MEG is segmented on the basis of application into polyester resins, PET, antifreeze & coolants, chemical intermediates, and heat transfer fluids Demand for MEG is therefore quite in synchronous with the growth rate of Polyester Industry.

CURRENT YEAR'S PERFORMANCE

| HighLights | Year 2020-21 | Year 2019-20 | % Change |
|--|---------------------|-----------------|----------------|
| Production : | | | |
| Polyester Chips | MT 2,93,877 | 3,48,943 | (15.78) |
| Polyester Filament Yarn (POY) | MT 1,36,430 | 1,71,596 | (20.49) |
| Polyester Processed Yarn | MT 57,157 | 76,841 | (25.62) |
| Total Shipments: | | | |
| Polyester Chips | MT 1,60,376 | 1,75,073 | (8.39) |
| Polyester Filament Yarn (POY) | MT 81,632 | 94,304 | (13.44) |
| Polyester Processed Yarn | MT 57,544 | 74,657 | (22.92) |
| Total | 2,99,552 | 3,44,034 | (12.93) |
| Turnover | ₹ in Crore 2,205.45 | 2,812.90 | (21.60) |
| Profit before Interest, Depreciation and Tax | ₹ in Crore 143.63 | 76.74 | 87.16 |
| Finance Costs | ₹ in Crore 243.02 | 247.10 | (1.65) |
| Depreciation | ₹ in Crore 87.78 | 94.48 | (7.09) |
| Exceptional Items | ₹ in Crore 2.67 | 67.41 | (96.04) |
| Loss Before Exceptional Items and Tax | ₹ in Crore (189.84) | (332.25) | (42.86) |
| Current Taxation | ₹ in Crore -- | -- | -- |
| MAT Credit Entitlement | ₹ in Crore -- | -- | -- |
| Deferred Tax | ₹ in Crore 0.06 | (0.16) | (137.57) |
| Short/(Excess) Provision of Tax of Earlier Years (Net) | ₹ in Crore 3.63 | -- | -- |
| Net Loss | ₹ in Crore (193.53) | (332.09) | (41.72) |
| Earning per share (EPS)-Basic & Diluted | ₹ (23.64) | (40.56) | (41.72) |
| Equity Shares- No. of Shares as on 31st March. | Nos. 818,74,849 | 818,74,849 | -- |
| No of Shares for Basic & Diluted EPS | Nos. 818,74,849 | 818,74,849 | -- |

CASH FLOW ANALYSIS

| | (₹ Crore) | |
|---|---------------|---------------|
| | 2020-21 | 2019-20 |
| Sources of Cash | | |
| Cash from Operations | 134.15 | 77.10 |
| Income from Investing Activities | 0.30 | 0.43 |
| Proceeds from Short Term Borrowings (net of repayments) | 1.36 | 197.19 |
| Margin Money | – | 30.99 |
| Tax Refund | 50.87 | 10.09 |
| Decrease in Cash & Cash Equivalent | – | 2.12 |
| Total | 186.68 | 317.92 |
| Uses of Cash | | |
| Net Capital Expenditure | 4.36 | 2.18 |
| Repayment of Term Borrowings (net of proceeds) | 8.77 | – |
| Increase in Working Capital | 81.71 | 283.29 |
| Lease Payments | 1.73 | 1.63 |
| Finance Cost | 59.09 | 30.82 |
| Margin Money | 22.19 | – |
| Increase in Cash & Cash Equivalent | 8.83 | – |
| Total | 186.68 | 317.92 |

SAFETY, HEALTH AND ENVIRONMENT (SHE):

The Company is responsible & committed to adequate steps and appropriate measures to ensure safety, health & environment.

The company is certified for ISO 9001:2015 -Quality Management System, ISO 14001:2015 -Environment Management System & OHSAS 45001:2018 - Occupational Health & Safety Assessment System. The company continuously improves upon and adopts practices which are considered to be the best in this sector specific industry.

All policies and programmes are implemented through regular training, close monitoring, evaluation & audits and up-gradation of various practices, plant machinery, etc.

Following are the main features on Safety, Health and Environment:

SAFETY

- No Fatal Accident occurred in the period FY-2020-21
- Programmes are held to instill a sense of duty/responsibility in every employee towards personal safety, as well as that of others who may be affected by the employee's actions.
- Regular review of the safety system is carried out to ensure that the safety practices adopted are uniform & adequate to follow the well laid out policies & procedures.
- For all new contracts, safety briefing is being done before the job is carried out.
- Employees, including the contract workers are provided with necessary health & safety induction program/protocol & provided with appropriate training (including proper use of PPE's, safe working at height, electrical safety etc.).
- Regular interactions are done with the team engaged in various activities for plant and building maintenance.
- All fire extinguishers are checked and inspected through external agencies.
- Surveillance and incident control is done through CCTV cameras and fire

alarm system.

- Employees are also trained for handling emergencies through periodic mock drill.

HEALTH

- All Covid-19 related protocols have been strictly implemented.
- Employees imparted knowledge in matters related to handling of Covid-19 risks.
- Monitoring of employees for signs and symptoms for Covid-19
- Based on Government guidelines, offices were closed during the pandemic and employees were made to work from home.
- Full encouragement given to employees at Head Office and Factories for getting vaccinated.
- Travel and movement of employees controlled during the pandemic.
- All efforts are being done to prevent any occupational disease. So far, no occupational disease observed.
- Pre-employment medical check-up & Periodic Health Check-up for all employees is being carried out regularly.
- Counseling for Health Check-up is being followed by the medical officer at regular interval to keep the track record on occupational health.
- Toilets & urinals are being regularly inspected for its cleanliness.
- Clean Drinking water facility provided, and quality check done periodically.

ENVIRONMENT

- Employees are educated to be accountable for environmental stewardship and encouraged to seek innovative ways to improve the environmental aspects of our operations.
- All the environment protection & pollution abatement measures are undertaken by the company to ensure that all the relevant environmental standards are strictly complied with.
- Reduction and minimization of waste, wherever possible done through reuse & recycling. Disposal of all waste through safe & responsible methods as per standard guidelines.
- The company is having efficient water management system which includes partial recycling of treated effluent.
- Reduction of Pollution & optimization of production is done through judicious utilization of resources and process improvement
- Emphasis is on promotion of efficient use of energy and natural resources through cost-effective conservation and energy management programs.

RISK MANAGEMENT

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

CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34 read with Schedule V to the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended ("the Listing Regulations"), a Report on Corporate Governance is given below:

Company Philosophy on Corporate Governance

Corporate Governance is an essential element of JBF Industries Limited's business practices and value system. The major facts 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 7 Directors out of which 3 are Independent. The Company has an Executive Chairman till 30th December, 2020. The proportion of Non-Executive Directors to Executive Directors and Independent Directors complies in terms of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on March 31, 2021.

The category and designation of the Directors is as follows:

| Name of Director | Designation | Category |
|--|---|-----------------------------|
| Mr. Bhagirath C. Arya DIN:00228665 | Chairman (upto 30.12.2020) Non- Executive Director (w.e.f.31-12-2020) | Promoter |
| Mrs. Ujjwala Apte DIN: 00403378 | Director – Company Secretary | Executive |
| Mr. S N Shetty DIN: 07962778 | Director – Legal & HR | Executive |
| Mr. Yash Gupta Din: 06843474 w.e.f 12.02.2021 | Director | Addl. Executive |
| Mrs. Sangita V. Chudiwala DIN:01039360 | Director | Non Executive & Independent |
| Mr. Ravi Dalmia DIN: 00634870 | Director | Non Executive & Independent |
| Mr. Suresh Choudhary DIN: 01319422 (upto 12.02.2021) | Director | Non Executive & Independent |
| Mr. Satish Mathur (Din: 03641285) w.e.f. 12.02.2021 | Director | Non Executive & Independent |

CEO & CFO

The Company does not have Chief Executive Officer (CEO) and Chief Financial Officer (CFO) as on 31st March, 2021, hence compliance certificate for the year ended 31st March, 2021 have been submitted by the Executive Director, Chief General Manager Officer, & General Manager which was not in compliance with the provisions of Regulation 17(8) in terms of Schedule II Part B of the Listing Regulations and the same was taken on record by the Board at its meeting held on 31/05/2021

Independent Directors

Mrs. Sangita Chudiwala, Mr. Ravi A Dalmia, Mr. Satish Mathur (from 12.02.2021) & Mr. Suresh Choudhary (upto 12.02.2021) are Independent Directors of the Company.

The Brief profiles of Director's whose appointment is to be regularised in Annual General Meeting is given in the Directors Report.

Formal Letter of Appointment to Independent Directors on appointment, the concerned Independent Director is issued a letter of Appointment setting out the terms & conditions of appointment in detail.

Every Independent Director, at the first meeting of the Board in which he/ she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/she meets the criteria of Independence as provided under the Companies Act, 2013. In the opinion of the Board, the independent directors fulfill the said criteria and are independent of the management.

The certificate from Practicing Company Secretary issued as per requirements of Listing Regulations, confirming that none of the Directors in the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of Companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority is enclosed to Annual Report.

The details of tenure of the Directors as on March 31, 2021 is given below:

| Name of Director | Initial Date of Appointment | Current Tenure From | Current Tenure Till | Tenure as on March 31, 2021 (in years) (Months / 12) |
|--|-----------------------------|---------------------|---------------------|--|
| Executive Directors | | | | |
| Mr. Bhagirath C. Arya | 06-10-1983 | 01-10-2015 | 30-09-2020 | 5 Years |
| Mrs. Ujjwala Apte | 01-06-2019 | 18-11-2019 | 17-11-2022 | 1 Year & 4 month & 13 days |
| Mr. S. N. Shetty | 14-11-2018 | 18-11-2019 | 17-11-2022 | 1 Year and 4 month & 13 days |
| Mr. Yash Gupta | 12.02.2021 | -- | Till AGM | 1 Month & 16 days |
| Non-Executive Independent Directors | | | | |
| Mr. Bhagirath C. Arya | 30-12-2020 | 30-12-2020 | -- | 3 Month & 2 days |
| Mrs. Sangita Chudiwala | 29-11-2017 | 03-08-2018 | 02-08-2023 | 2 Year & 7 Month & 29 days |
| Mr. Ravi A. Dalmia | 04-06-2018 | 03-08-2018 | 02-08-2023 | 2 Year & 7 Month & 29 days |
| Mr Satish Mathur | 12.02.2021 | -- | Till AGM | 1 Month & 16 days |
| Mr. Suresh Choudhary | 30-07-2019 | 20-09-2019 | 19-09-2024 | 13.02.2021 Cessation |

Performance Evaluation of Independent Directors

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 and 19 read with part D of Schedule II of the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees.

The performance Evaluation of the Independent Directors of the Company based on the evaluation criteria laid down by the Nomination and Remuneration Committee was completed in the Board meeting held on 31.05.2021.

Separate Meeting of the Independent Directors

As per the code of Independent Directors under Schedule IV of the Companies Act, 2013 and the Regulation 25(3) of the Listing Regulations, a separate meeting of Independent Directors was held during the year.

Familiarization Programme for Independent Directors

Every quarter presentation is given to Independent Directors about the business scenario, the information of the Industries and progress of the different projects of the Company along with the photograph and other details. Plant visits are also conducted by the Company as and when required.

A Familiarization program is conducted, if required, for Independent Directors to familiarize them with the Company, their roles, rights responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company so that they can contribute in a meaningful way to the Company. Familiarization Program for Independent Directors has been uploaded on the Company website at <https://www.jbfindia.com>.

Non-Executive Directors' Compensation and Disclosures

The Sitting Fees of Non-Executive Directors (NEDs) for attending Board and its Committees meetings of the Company has been decided by the Board of Directors of the Company which is within the limits prescribed under the Companies Act, 2013. The Company has not granted stock options to Directors during the year.

Meeting of the Board of Directors

During the Financial Year 2020-2021 the Board of Directors met 4 times on 10th September, 2020, 11th November, 2020, 21st January, 2021, & 12th February, 2021.

The gap between two board meetings did not exceed 120 days except one of Board Meeting held on 10.09.2020 delayed by 78 days due to Covid -19 pandemic.

During the year urgent matters were passed by circular resolutions as and when required.

Disclosure of Relationship Between Directors Inter-Se.

None of the Board of Directors are related to Mr. Bhagirath C Arya, Chairman of the Company.

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 Director | Attendance Particulars | | No of Directorship and Committee Membership /Chairmanship | | |
|--|------------------------|----------|---|------------------------|---------------------------|
| | Board Meetings | Last AGM | *Other Directoship | **Committee Membership | ** Committee Chairmanship |
| Mr. Bhagirath C. Arya | 1 | No | 1 | Nil | Nil |
| Mr. S. N. Shetty | 4 | Yes | 1 | 1 | Nil |
| Mrs. Ujjwala G. Apte | 4 | Yes | 1 | 1 | Nil |
| Mr. Yash Gupta (w.e.f 12.02.2021) | N.A | N.A | N.A | Nil | Nil |
| Mrs. Sangita V Chudiwala | 4 | No | Nil | Nil | Nil |
| Mr. Ravi Dalmia | 4 | No | 3 | Nil | Nil |
| Mr. Satish Mathir (w.e.f. 12.02.2021) | N.A | N.A | Nil | Nil | Nil |
| Mr. Suresh Choudhary (Upto 12.02.2021) | 4 | Yes | Nil | Nil | Nil |

* Other than Foreign and Private Limited Companies.

** As prescribed in the explanation under Regulation 26(1) of the Listing Regulations, Membership/Chairmanship of only the Audit Committee and Stakeholders Relationship Committee of all Public Limited companies (Excluding JBF Industries Limited), has been considered.

Directorship in other Listed Companies in India:-

No directors are on the board of other listed Companies in India except Mr. Ravi A Dalmia. He is Managing Director on the Board of Sharad Fibres and Yarn Processors Limited.

None of the Directors is a Director in more than 10 Public Limited Companies or serves as an Independent Director in more than 7 Listed Companies. Further, none of the Director acts as a member of more than 10 committees or acts as a chairman of more than 5 committees across all Public Limited Companies in which he is a Director.

Core Skills/Expertise/Competencies available with the Board

The Board comprises highly qualified members who possess required skills, expertise and competence that allow them to make effective contributions to the Board and its Committees.

The following skills / expertise /competencies have been identified for the effective functioning of the Company and are currently available with the Board:-

- Leadership / Operational experience
- Strategic Planning
- Industry Experience
- Global Business
- Financial, Regulatory / Legal & Risk Management
- Corporate Governance

The following is the list of core skills/ expertise/competencies of the Directors identified by the Board of Directors as required in the context of the Company's business:-

| S.No. | Name | Status | Skills/Expertise/Competencies |
|-------|--|--|-------------------------------|
| 1 | Mr. Bhagirath C. Arya | Chairman (upto 30.12.2020) Director (from 31-12-2020 to 31st March, 2021) | General Management |
| 2 | Mr. S. N. Shetty | Executive Director | Legal and Human Resource |
| 3 | Mrs. Ujjwala G Apte | Executive Director | Company Secretary |
| 4 | Mr. Yash Gupta (w.e.f 12.02.2021) | Executive Director | Commercial |
| 5 | Mr. Ravi Dalmia | Director | General |
| 6 | Mrs. Sangita V Chudiwala | Director | General |
| 7 | Mr. Satish Mathur (w.e.f 12.02.2021) | Director | Administrator |
| 8 | Mr. Suresh Choudhary (Upto 12.02.2021) | Director | Finance |

Procedures at the Board Meetings

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

Apart from the quarterly meetings additional meetings are also convened, if required, for the specific needs of the Company, by giving appropriate notice. The Board may also approve urgent matters by passing resolutions by circulations, if permitted by law.

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

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

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

The minimum information as specified in Part A of Schedule II read with Regulation 17 (7) of Listing Regulations is regularly made available to the Board, whenever applicable, for discussion and consideration.

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 completed within 30 days from the date of the conclusion of meeting.

Board Committees

i. Audit Committee

Composition and Meeting of the Audit Committee

During the Financial Year 2020-2021 the Audit Committee met 4 times on 10th September, 2020, 11th November, 2020, 21st January, 2021 and 12th February, 2021.

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

| Name | Position | Meetings Held | Meetings Attended |
|---|----------|---------------|-------------------|
| Mr. Suresh Choudhary (Upto 12.02.2021) | Chairman | 4 | 4 |
| Mrs. Sangita Chudiwala | Member | 4 | 4 |
| Mr. Ravi Dalmia | Member | 4 | 4 |
| Mr. Yash Gupta | Member | N.A | N.A |

The audit committee have three directors as members as on 31st March, 2021 in terms of Regulation 18(1)(a) of the Listing Regulations.

The Company Secretary acted as the Secretary to the Committee.

GM-Finance, Statutory Auditors, and Internal Auditors were invited to attend all the Audit Committee Meetings.

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

All members of the Audit Committee are capable of understanding financial statements and one member possesses financial management expertise in accordance with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013, as applicable, besides other terms as referred by the Board of Directors.

Powers of Audit Committee

The audit committee has 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 includes the following :

- 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;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements, auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.

- Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 - Review and monitor the auditor's independence and performance and effectiveness of audit process;
 - Approval or any subsequent modification of transactions of the Company with related parties;
 - Scrutiny of inter-corporate loans and investments;
 - Valuation of undertakings or assets of the Company, wherever it is necessary;
 - Evaluation of internal financial controls and risk management systems;
 - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - Discussion with internal auditors of any significant findings and follow up thereon;
 - 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 any material nature and reporting the matter to the board;
 - Discussion with the statutory auditors before audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - To look into reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - To review the functioning of the Whistle Blower mechanism;
 - Approval of appointment of CFO (i.e. whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualification, experience and background etc. of the candidate;
 - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of information by Audit Committee

The Audit Committee mandatorily reviews 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 is subject to review by the Audit Committee.

Statement of deviations:

- quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
- annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

ii. Stakeholders Relationship Committee

Composition and Meeting of the Stakeholders Relationship Committee

During the Financial Year 2020-2021 the Stakeholders Relationship Committee met 2 times on 21st January, 2021 & 12th February 2021.

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

| Name | Position | Meetings Held | Meetings Attended |
|---|----------|---------------|-------------------|
| Mr. Ravi Dalmia | Chairman | 2 | 2 |
| Mrs. Ujjwala Apte | Member | 2 | 2 |
| Mr. S N Shetty w.e.f 12.02.2021 | Member | 2 | 1 |
| Mr. Suresh Choudhary (upto 12.02.2021) | Member | 2 | 2 |

The Stakeholders Relationship Committee have three directors as members as on 31st March, 2021 in terms of Regulation 20(2A) of the Listing Regulations. The Chairman of the Committee was not present at annual general meeting held on 30th December, 2020, which was not in compliance with Regulation 20(3) of the Listing Regulations.

The Company Secretary acted as the Secretary to the Committee. The total number of complaints received and replied to the satisfaction of the shareholders during the year was 0. There are no pending complaints as on 31st March, 2021.

Company had received confirmation from BSE & NSE informing that no investor complaints pending as on 31st March, 2021 at their end.

Terms of Reference of the Committee

The Stakeholders Relationship Committee meets Twice in a year to review and to take note of the Compliance Reports submitted to the Stock Exchanges and grievances of the security holders including complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends.

Compliance Officer

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

iii. Nomination and Remuneration Committee (NRC)

Nomination and Remuneration Committee (NRC) 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. NRC also approves the appointments of KMPs and Senior Management Personnel as required.

Nomination and Remuneration Committee met 2 times on 21st January, 2021 & 12th February, 2021, during the financial year 2020 – 2021.

The Chairman of NRC attended last Annual General Meeting.

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

| Name | Position | Meetings Held | Meetings Attended |
|---|----------|---------------|-------------------|
| Mr. Suresh Choudhary (upto 12.02.2021) | Chairman | 2 | 2 |
| Mrs. Sangita Chudiwala | Member | 2 | 2 |
| Mr. Ravi A. Dalmia | Member | 2 | 2 |
| Mr. Satish Mathur w.e.f. 12.02.2021 | Member | N.A | N.A |

The Nomination and Remuneration Committee has three directors as members as on 31st March, 2021 in terms of Regulation 19(1)(a) of the Listing Regulations.

The Company Secretary acted as the Secretary to the Committee.

The salient features of Remuneration policy

As per Regulation of 19 SEBI (LODR) Regulations 2015, there should be at least three Directors as a members of N R Committee.

The Committee formulates the criteria for determining qualifications and identifies persons who are qualified to become Independent Directors, Director and persons who may be appointed in Key Managerial Personnel (KMP) and Senior Management positions. The Committee also recommends appointment and removal of Director, KMP and Senior Management Personnel.

As per policy, the Company Executive Chairman, Managing Director or Executive Director is appointed for a term not exceeding five years at a time.

An Independent Director shall hold office for a term up to five consecutive years and will be eligible for re-appointment on passing of an ordinary resolution by the Company. No Independent Director shall hold office for more than two consecutive terms. The committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management personnel subject to the provisions and compliance of the said Act, rules and regulations.

The remuneration, compensation, commission and increments in existing remuneration etc. of the Whole-time Director, KMP and Senior Management Personnel is determined by the Committee and recommended to the Board for approval.

Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act.

The Company shall not waive recovery of excess remuneration paid to whole-time Directors unless permitted by the shareholders by passing special resolution.

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the slabs and conditions mentioned in the Articles of Association of the Company or such amount as may be prescribed by the Companies Act, 2013.

Terms of Reference of the Committee

Laying down criteria, to identify persons who are qualified to become directors & who can be appointed in senior management;

Recommending to the Board, appointment & removal of directors & senior management;

Carrying out evaluation of every director's performance;

Formulating criteria for determining qualifications, positive attributes & independence of directors;

Recommending to Board, a policy relating to remuneration of directors, KMP & other employees;

The aggregate value of salary and perquisites paid to whole-time directors for the financial year 2020-21 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 # | 67.44 | -- | 5.98 | 73.42 | 5 years | 3 months |
| Mrs. Ujjwala Apte | 44.61 | -- | 6.02 | 50.62 | 3 years | 3 months |
| Mr. S N Shetty | 49.83 | -- | 1.88 | 51.71 | 3 years | 3 months |
| Mr. Yash Gupta w.e.f 12.02.2021 ## | 5.17 | -- | 0.91 | 6.08 | *** | 3 months |

Salary and Perquisites include house rent allowance, reimbursement of medical expenses, entertainment expenses, education, books & periodicals, telephone expenses, motor car expenses, card subscription, leave travel allowance, provident fund and leave encashment etc.

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

Net of excess remuneration aggregating to 2.45 Crore for the year ended March 2021 recovered from the chairman by way of adjustment against the unsecured loan.

The same is subject to approval from the shareholders.

* From their respective dates of appointment.

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

*** Hold office till the date of next Annual General Meeting

Directors Sitting Fees

The Company has paid sitting fees for attending Board, Audit Committee, Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Finance Committee Meetings at ₹50,000, ₹20,000, ₹10,000, ₹10,000, ₹10,000, ₹10,000 and ₹10,000 per meeting respectively to all the Non-Executive Directors.

The details of sitting fees paid during financial year 2020-21 are mentioned below.

| | |
|------------------------|----------|
| Mrs. Sangita Chudiwala | ₹340,000 |
| Mr. Ravi A Dalmia | ₹310,000 |
| Mr. Suresh Choudhary | ₹300,000 |

The criteria for making payments to Non-Executive Directors of the Company are uploaded on the website of the Company.

None of the above mentioned Directors is related to any other Director on the Board in terms of the definition of "relative" given under Companies Act, 2013.

Mrs. Sangita Chudiwala, Mr. Ravi A Dalmia and Mr. Suresh Choudhary are the Non-Executive Directors. Number of shares and convertible instruments held by Non-Executive Directors as on 31st March, 2021:-

| Sr.No | Name of Directors | No of Shares |
|-------|---|--------------|
| 1 | Mr. Ravi Dalmia | 78,107 |
| 2 | Mrs. Sangita Chudiwala | Nil |
| 3 | Mr. Suresh Choudhary (Upto 12.02.2021) | Nil |
| 4 | Mr. Satish Mathur (w.e.f. 12.02.2021) | Nil |

The aforementioned information pertaining to remuneration and terms of appointment of directors be also considered as disclosures covered under Sl. No. IV of sub clause (iv) of clause (B) of section II of Part – II of Schedule V ("required disclosures") of the Companies Act, 2013.

Following is the further information to be provided under the required disclosures:

Apart from receiving fixed components, Mr. Bhagirath C. Arya is eligible to receive commission not exceeding 1% of the Net Profits of the Company (annually) subject to a ceiling of 100% of the annual salary.

IV. Corporate Social Responsibility Committee (CSR)

The Committee has been constituted to administer CSR activities as per The Companies Act, 2013.

The CSR Committee comprises of One Independent & Non-Executive Director and Two Executive Directors as on 31st March, 2021.

During the Financial Year 2020-2021 the Corporate Social Committee met 4 times on 10th September, 2020, 11th November, 2020, 21st January, 2021 and 12th February, 2021.

Composition of Corporate Social Responsibility Committee and attendance of each Member at the Corporate Social Responsibility Committee meeting held during the year.

| Name | Position | Meetings Held | Meetings Attended |
|------------------------|----------|---------------|-------------------|
| Mr. S. N. Shetty | Chairman | 4 | 4 |
| Mrs. Ujjwala Apte | Member | 4 | 4 |
| Mrs. Sangita Chudiwala | Member | 4 | 4 |

The Company Secretary acted as the Secretary to the Committee.

CSR programmes and projects of the Company are aimed at serving the deserving, socio-economically backward and disadvantaged communities to improve quality of their lives. The Company had also taken initiatives such as girl child education, construction of toilets and sanitation facilities and rural development projects under its CSR programs.

V. Risk Management Committee

The Committee has been constituted to assess the risks and its minimisation as per The Companies Act, 2013.

Composition of Risk Management Committee and attendance of each Member at the Risk Management Committee meeting held during the year.

During the Financial Year 2020-2021 the Risk Management Committee met 2 times on 21st January, 2021 and 12th February, 2021.

| Name | Position | Meetings Held | Meetings Attended |
|------------------------|----------|---------------|-------------------|
| Mr. S. N. Shetty | Chairman | 2 | 2 |
| Mrs. Ujjwala Apte | Member | 2 | 2 |
| Mrs. Sangita Chudiwala | Member | 2 | 2 |

The Company Secretary acted as the Secretary to the Committee.

Mr. S. N. Shetty is designated as Chief Risk Officer of the Company.

The Company takes all necessary steps to identify, monitor and mitigate various risks. The Company has developed and implemented a Risk Management Policy to identify elements of risks and to take precautionary and corrective measures. Major risks identified are systematically addressed through mitigating actions on a regular basis. The Board supervises the overall process of risk management in the organization.

VI. Finance Committee

The Committee has been constituted to administer Financial activities of the Company.

Composition of Finance Committee and attendance of each Member at the Finance Committee meeting held during the year.

| Name | Position | Meetings Held | Meetings Attended |
|-------------------|----------|---------------|-------------------|
| Mr. B. C. Arya | Chairman | -- | -- |
| Mr. Ravi A Dalmia | Member | -- | -- |
| Mr. S. N. Shetty | Member | -- | -- |

There were no Finance Committee held during the year 2020-21

CEO/CFO Certification

As the Company does not have Chief Executive Officer and Chief Financial Officer, hence compliance certificate for the year ended 31st March, 2021 have been submitted by the Executive Director, Chief General Manager & General Manager which was not in compliance with the provisions of Regulation 17(8) in terms of Schedule II Part B of the Listing Regulations and the same was taken on record by the Board.

Prevention of Insider Trading

The Company ensures that the Code of Conduct for prevention of Insider Trading adopted in terms of the SEBI [Prohibition of Insider Trading] Regulations is 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 said Code is posted on the Company's website <https://www.jbfindia.com/company.htm>. As the Company does not have Chief Executive Officer, the necessary declaration is given by the Executive Director of the Company regarding compliance of the above mentioned Code by Directors, Senior Management and the employees forms part of the Corporate Governance Report which was not in compliance with para D of Schedule V of the Listing Regulations. The code of conduct was modified from time to time as and when required as per the guidelines.

Management Discussion and Analysis

A Management Discussion and Analysis Report containing discussion on the matters specified in Schedule V of the Listing Regulations will form part of the Annual Report.]

Annual General Meetings

| DATE | VENUE | TIME | SPECIAL RESOLUTIONS PASSED |
|----------------------|-----------------------------------|------------|--|
| 30th December, 2020 | two-way Video Conferencing ('VC') | 11.30 p.m. | 1. Increase in Remuneration of Mr. Bhagirath C Arya (Not Passed) |
| 20th September, 2019 | Registered office of Company | 3.30 p.m. | No Special Resolution was passed. |
| 3rd August, 2018 | Daman Ganga Valley Resort | 11.30 a.m. | 1. Increase limit in borrowing power to ₹ 6000 crores 2. Waiver of excess Remuneration paid to Mr. Bhagirath Arya. 3. Investment upto ₹ 600 crores |

No resolution was passed through postal ballot during the year.

Related Party Transactions

The details of all transactions with related parties are placed before the Audit Committee periodically, with justification wherever required.

During the Financial year 2020-21 no material transaction has been entered into by the Company with related parties that may have a potential conflict with interest of the Company except sale of goods to JBF Bahrain W.L.L.

The details of related party transactions have been given in the Notes to the Financial Statements. The Company has formulated a policy on dealing with related party transactions and has been uploaded on the website of the Company at <https://www.jbfindia.com>.

Non-compliance / Strictures / Penalties imposed

Due to financial restructuring / negotiation with lenders and/or investors, Company did not receive the audited financial statements of its subsidiaries, hence the Company could not prepare the consolidated financial statements of the Company and accordingly no consolidated financial results have been published from March'2018.

Whistle Blower Policy

The Company has laid down a Whistle Blower Policy providing a platform to all the Directors/Employees to report about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

The mechanism provides for adequate safeguards against victimization of employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

The said Policy is posted on the website (www.jbfindia.com/Investor.htm) of the Company.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place a Policy for Prevention Prohibition and Redressal of Sexual Harassment at work place which is in line with the requirements of the Sexual Harassment of women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder. All employees (permanent, contractual, temporary and trainees) are covered under this Policy. The Company has constituted an Internal Complaint Committee for its Head Office and plants under Section 4 of the captioned Act. No complaint has been filed before the said committee till date.

Subsidiary Company

The Minutes of the Board Meetings and financial statements of subsidiary companies have not been placed before the Board as the Balance Sheet were not available due to restructuring of debt.

At least one Independent Director on the Board of Directors of listed entity shall be a Director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not, in terms of Regulation 24(1) of the Listing Regulations, the same has been complied in respect of subsidiary incorporated in India namely JBF Petrochemicals Limited as on 31st March, 2021.

The Company has formulated a policy for determining 'material' subsidiaries and has been uploaded on the website of the Company at <https://www.jbfindia.com>.

Reconciliation of Share Capital and Secretarial Audit

In compliance with the circular received from Stock Exchange mandating all listed companies are required to get Secretarial Audit done at quarterly intervals for purposes of reconciliation of the total admitted capital with both the depositories and the total issued and listed capital. The Company has confirmed that there exist no discrepancies with regard to its admitted capital. A certified report to this effect issued by practising Company Secretary Mr. Ronak V. Kalathiya (CP. No. 18350) partner of M/s Jagdish Patel & Co, has been submitted at close of each quarter to the Stock Exchanges.

Secretarial Audit as prescribed under Companies Act 2013 for the FY 2019-20 was carried out and the report is forming part of Annual Report.

Means of Communication

The quarterly and half yearly unaudited and annual audited financial results were published in English and in local language in Financial Express circulated in Silvassa. Half-yearly results in addition to being published in newspapers were available to the shareholders on their request.

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

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

The Annual Report is posted individually to all members, whose email address is not registered with the Company and is also available on the Company's website.

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

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

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

General Information For Shareholders

Annual General Meeting

| | |
|---|---|
| Day, Date & Time | |
| Venue | Registered Office : Survey No. 273, Village Athola, Dadra & Nagar Haveli & Daman and Diu, Silvassa. |
| Financial Calendar [Tentative] | |
| Results for the quarter ended June, 2021 | End 2nd week of August '21 |
| Results for the quarter ended September, 2021 | End 2nd week of November '21 |
| Results for the quarter ended December, 2021 | End 2nd week of February '22 |
| Results for the quarter ended March, 2022 | End May '22 |
| Annual General Meeting | End September '22 |

Book Closure

The Register of Members will be kept closed from 21st September, 2021 to 28th September, 2021 [Both days inclusive] for the purposes of Annual General Meeting.

Dividend on Equity Capital

Board of Directors has not recommended dividend on Equity Share Capital for the year 2020-2021.

Unclaimed Dividend

Unclaimed Dividend of 5,13,269/- for the financial year 2012-2013 has been transferred to Investor Education and Protection Fund on 12.11.2020.

The Ministry of Corporate Affairs has notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed/ claimed by the shareholders for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The new IEPF Rules mandates the companies to transfer the shares of shareholders whose dividends remain unpaid/ unclaimed for a period of seven consecutive years to the demat account of IEPF Authority.

Hence, the Company urges all the shareholders to encash/ claim their respective dividend during the prescribed period. The details of the unpaid/ unclaimed amounts lying with the Company as on 30th December, 2020 (date of last Annual General Meeting) are available on the website of the Company <http://www.jbfindia.com> and on Ministry of Corporate Affairs' website. The shareholders whose dividend/ shares gets transferred to the IEPF Authority can claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>

In accordance with the aforesaid IEPF Rules, the Company has sent notice to all the shareholders whose dividends are due to be transferred to the IEPF Authority. The company has also sent reminders and published newspaper advertisement about the shares to be transferred to IEPF Authority. The Company is required to transfer all unclaimed shares to the demat account of the IEPF Authority in accordance with the IEPF Rules.

Members are requested to contact the Company for encashing the unclaimed dividends standing to the credit of their account. The detailed dividend history and due dates for transfer to IEPF are available on the website of the Company.

Listing of Equity Shares

The shares of the Company are listed on BSE Ltd & National Stock Exchange of India Ltd.

Listing Fees

The Annual Listing fees for the year 2020-2021 has been paid to BSE Ltd. and National Stock Exchange of India Ltd.

Total fees for all services on a standalone basis to the Statutory Auditors

Auditor's Fees

(₹ in Core)

| Particulars | For the Year Ended 31st March, 2021 |
|----------------|-------------------------------------|
| Audit Fees | 0.28 |
| Tax Audit Fees | 0.06 |
| Total | 0.34 |

Registrar & Transfer Agents

Link Intime India Pvt. Ltd.,

C 101, 247 Park, L B S Marg, Vikhroli (W), Mumbai – 400 083.

Tel. No. +91 022 49186270. E-mail id: rnt.helpdesk@linkintime.co.in

Share Transfer System

The Registrars and Transfer Agents process, inter-alia, the share transfer requests received in physical and electronic mode and confirm dematerialisation requests and extinguishment of shares and other share registry work.

The transfers are normally processed within 15 days from the date of receipt if the documents are complete in all respects.

Dematerialisation of Shares: As on 31st March, 2021.

| Mode of Holding | No of shares held | Percentage to Total Capital |
|---------------------|-------------------|-----------------------------|
| N S D L | 43841537 | 53.55 |
| C D S L | 37475598 | 45.77 |
| Total Demat Holding | 81317135 | 99.32 |
| Physical Holding | 554714 | 0.68 |
| Total Shareholding | 81871849 | 100.00 |

Distribution of Shareholding : As on 31st March, 2021.

| Shareholding of Shares | No of Share holders | Number of Shares held | Percentage to Total Capital |
|------------------------|---------------------|-----------------------|-----------------------------|
| 1 - 500 | 23320 | 2958268 | 3.61 |
| 501 - 1000 | 1992 | 1658154 | 2.03 |
| 1001 - 2000 | 1184 | 1869920 | 2.28 |
| 2001 - 3000 | 446 | 1152267 | 1.41 |
| 3001 - 4000 | 234 | 851113 | 1.04 |
| 4001 - 5000 | 255 | 1229970 | 1.50 |
| 5001 - 10000 | 398 | 3074416 | 3.76 |
| 10001 and above | 423 | 69077741 | 84.37 |
| TOTAL | 28252 | 81871849 | 100.00 |

Shareholding Pattern under Regulation 31 of Listing Regulations as on 31st March, 2021

| Group | No. of Share holders | No. of Shares held | % held |
|---|----------------------|--------------------|---------------|
| Indian Promoters | 4 | 24314863 | 29.70 |
| Directors / Relatives | 2 | 80607 | 0.10 |
| Body Corporates | 190 | 4274279 | 5.22 |
| Financial Institutions, Insurance Cos., & Banks | 4 | 2120799 | 2.59 |
| Trusts & Mutual Fund | 6 | 12950 | 0.02 |
| IEPF | 1 | 177184 | 0.22 |
| FCs, FPIs, NRIs & NRNs | 294 | 22795281 | 27.84 |
| Indian Public | 27179 | 28095886 | 34.31 |
| TOTAL | 27680 | 81871849 | 100.00 |

DEMAT ISIN Number in NSDL & CDSL INE 187A01017

Share Code on BSE 514034

Share Code on NSE JBFIND

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 2020 | 15.45 | 10.15 | 10.15 | 7.20 |
| May 2020 | 9.38 | 6.44 | 9.10 | 6.25 |
| June 2020 | 14.72 | 9.72 | 14.55 | 9.50 |
| July 2020 | 12.39 | 9.01 | 12.40 | 9.05 |
| August 2020 | 10.50 | 8.75 | 10.50 | 8.80 |
| September 2020 | 9.80 | 7.50 | 9.85 | 7.40 |
| October 2020 | 8.40 | 7.09 | 8.35 | 7.10 |
| November 2020 | 7.96 | 7.01 | 8.10 | 6.80 |
| December 2020 | 15.22 | 6.95 | 15.10 | 6.85 |
| January 2021 | 15.95 | 11.50 | 15.85 | 11.40 |
| February 2021 | 15.55 | 11.07 | 15.40 | 11.35 |
| March 2021 | 15.45 | 10.15 | 15.35 | 9.65 |

Source : website of BSE & NSE

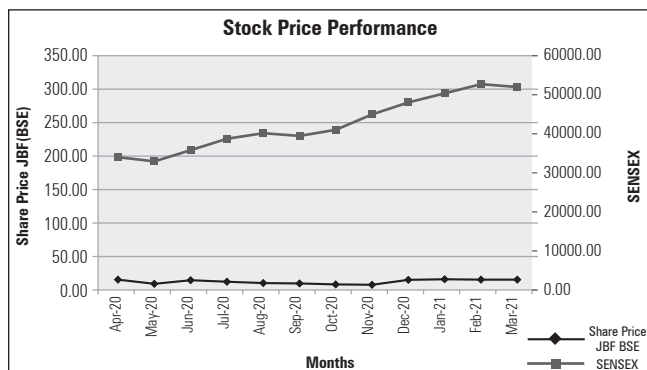
Stock performance:

The average daily turnover of the equity shares of the company during the financial year 2020-2021 is as follows:

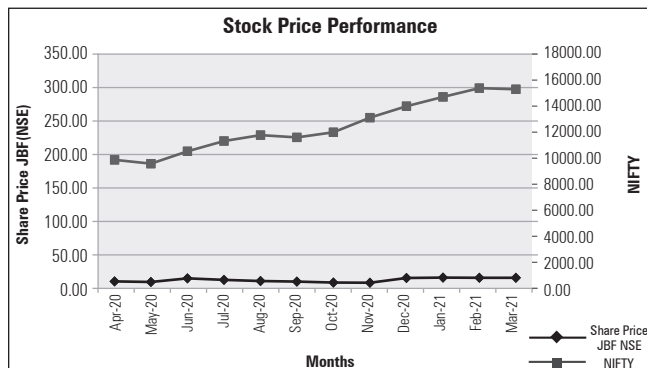
BSE : 40,005

NSE : 1,22,917

JBF Share Price at BSE



JBF Share Price at NSE



Outstanding Adrs/ Gdrs/ Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity: Not applicable.

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

During the year the Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

The Board of Directors of the Company had formulated Risk Management Plan. The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures, which is subject to review by the Management and is required to be placed before the Board on an annual basis. In line with the requirements of the Regulation 17(9) of the Listing Regulations, the Audit Committee and the Board of Directors reviewed the Management perception of the risks faced by the Company and measures taken to minimize the same. The details of Hedged and Unhedged Foreign Currency exposure as on 31st March, 2020 are disclosed in Financial Statements.

| | |
|-----------------------------------|---|
| Plant Location | <ul style="list-style-type: none"> Survey No. 273, Village Athola, Dadra & Nagar Haveli Dadra & Nagar Haveli & Daman and Diu Silvassa. 156/2, Village Saily, Saily-Rakholi Road, Dadra & Nagar Haveli Dadra & Nagar Haveli & Daman and Diu Silvassa. Plot No. 11 and 215 to 231, Sarigam GIDC Indl.Area, Tal : Umbergaon, Sarigam, Vapi, Gujarat |
| Address for Correspondence | <p>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 Investor Grievance & Correspondence: sec.shares@jbfmail.com Website : www.jbfindia.com</p> |

CREDIT RATING OBTAINED BY THE COMPANY FOR ALL ITS OUTSTANDING INSTRUMENTS

The Company has not received credit rating for all its outstanding borrowings during the year ended 31st March, 2021 as the Banks have classified all the credit facilities given to the Company as Non-Performing Asset (NPA) in their books of account.

Compliance with mandatory requirements

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except as disclosed above.

DISCRETIONARY REQUIREMENTS - PART E OF SCHEDULE II

1. The Board

The Company has an Executive Chairman upto 30th December, 2020 whose office is maintained by the Company at its expenses. The travelling and other expenses of the Chairman for office purposes are paid / reimbursed by the Company.

2. Shareholders' Rights

The quarterly and half yearly financial performance results are published in the newspapers and are also posted on the website (www.jbfindia.com) of the Company and hence, it is not being sent to the shareholders separately.

3. Audit qualifications

The Company's Standalone Financial Statement for the year ended 31st March, 2021 contains audit qualifications, for explanation/ comments on audit qualifications refer to directors' report.

4. Separate posts of Chairman and CEO

The Company has an Executive Chairman upto 30-12-2020 whose position is separate from that of the Managing Director & CEO of the Company. The Company does not have Managing Director & CEO as on 31st March, 2021.

5. Reporting of Internal Auditor

The Internal Auditor presents his report to the Audit Committee on quarterly basis.

Compliance Certificate

A Certificate from the Auditors of the Company regarding compliance of condition of corporate governance for the year ended on 31st March, 2021, as stipulated in Schedule V (E) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed with the Directors' report.

Declaration on Compliance with the Company's 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 31st March, 2021.

Place : Mumbai
Date : 12th August, 2021

S. N. Shetty
Director

Confirmation on Independent Directors

I confirm that in the opinion of the Board, all Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

Place : Mumbai
Date : 12th August, 2021

S. N. Shetty
Director

CERTIFICATE

(Pursuant to clause 10 of Part C of Schedule V of LODR)

In pursuance to sub-clause (i) of clause 10 of Part C of Schedule V of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (LODR) in respect of JBF Industries Limited (CIN:L99999DN1982PLC000128) I hereby certify that:

On the basis of the information disseminated by SEBI & Ministry of Corporate Affairs and declaration received from the directors and taken on record by the Board of Directors as on 31st March, 2021, none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

FOR JAGDISH PATEL & CO.
Unique Code No.: P1991GJ052300
Company Secretaries,

CS Monali Bhandari
ACS 27091 / CO No. 10272
UDIN: A027091C000823304

Place : Mumbai
Date : 24th August, 2021

AUDITORS' CERTIFICATE OF CORPORATE GOVERNANCE

To
The Members,
JBF Industries Limited

1. The Corporate Governance Report prepared by JBF Industries Limited ("the Company"), contains details as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") with respect to Corporate Governance for the year ended 31st March, 2021. This certificate is required by the Company for annual submission to the Stock exchange and to be sent to the shareholders of the Company.

MANAGEMENT'S RESPONSIBILITY

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

AUDITOR'S RESPONSIBILITY

4. Our responsibility is to provide a reasonable assurance that the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 1 above.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditors' judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedure includes, but not limited to, verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.

8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Basis for Qualified Opinion:

- i. As mentioned under the head "CEO/CFO Certification" in the Corporate Governance Report, the Company does not have Chief Executive Officer and Chief Financial Officer, hence compliance certificate for the year ended 31st March, 2021 have been submitted by the Executive Director in the which was not in compliance with the provisions of Regulation 17(8) in terms of Schedule II Part B of the Listing Obligation and Disclosure Requirement, 2015.
- ii. As mentioned under the head "Subsidiary Company" in the Corporate Governance Report, the minutes of the meetings of the board of directors and financial statements of subsidiaries have not been placed at the meeting of the board of directors of the Company as

required under Regulation 24(2) and 24(3) of the Listing Obligation and Disclosure Requirement, 2015.

- iii. As mentioned under the head "Code of Business Conduct and Ethics for Board of Directors, Senior Management and Employees" in the Corporate Governance Report, the Company does not have Chief Executive Officer, hence the necessary declaration given by the Executive Director of the Company regarding compliance of the code of conduct by Directors, Senior Management and the employees not in compliance with para D of Schedule V of the Listing Obligation and Disclosure Requirement, 2015.
- iv. As mentioned under the head "Composition and Meeting of Stakeholders Relationship Committee" in the Corporate Governance Report, Chairman of the Stakeholders Relationship Committee was not present at the Annual General Meeting as required under Regulations 20(3) of the Listing Obligation and Disclosure Requirement, 2015.
- v. As mentioned under the head "Audit Committee" in the Corporate Governance Report, the Audit Committee of the company first met during the F.Y. 2020-21 on 10th September 2020, which is beyond 120 days from last meeting held on 12th February 2020, which is not in compliance with Regulation 18(2)(a) of the Listing Obligation and Disclosure Requirement, 2015.
- vi. As mentioned under the head "Meeting of the Board of Directors" in the Corporate Governance Report, the Board of Directors of the company first met during the F.Y. 2020-21 on 10th September 2020, which is beyond 120 days from last held meeting on 12th February 2020, which is not in compliance with Regulation 17(2) of the Listing Obligation and Disclosure Requirement, 2015.

QUALIFIED OPINION

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, except the matters described in the paragraph above 'Basis for Qualified Opinion', we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended 31st March, 2021, referred to in paragraph 1 above.

OTHER MATTERS AND RESTRICTION ON USE

10. As mentioned under the head "Non-compliance/Strictures/ Penalties imposed", there has been instance of non compliance in respect of late adoption of financial statement/financial results for quarter/ year ended 31st March, 2020, 30th June 2020 & 30th September, 2020.
11. As mentioned under the head, "Finance Committee", no meeting of the Finance Committee has been conducted during the year.
12. This Certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
13. This Certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

For S.C. Ajmera & Co.
Chartered Accountants
Firm Registration no. 002908C

Arun Sarupria
Partner

Membership no. 078398
UDIN:-21078398AAAABV3024

Place: Udaipur
Date : 12th August, 2021

BUSINESS RESPONSIBILITY REPORT FOR THE FINANCIAL YEAR 2021

[Pursuant to Regulation 34(2)(f) of the SEBI (LODR) Regulations, 2015, as amended]

JBF Industries Limited (JBFIL) is having a core business in Polyester Yarn with backward and forward integration with a legacy of over Three decades. Among the Indian corporates, JBFIL believes in inclusive growth with adopted philosophy of growth touching broad aspects of environment and life. JBFIL is having its own strength in polyester business to create value for the nation and quality life and environment across the socio-economic band.

The Business Responsibility disclosures in this Report illustrate our efforts towards creating value for all stakeholders in a responsible manner. This Report is aligned with National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE) released by Ministry of Corporate Affairs, and is in accordance with Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Report provides an overview of the activities carried out by JBFIL under each of the nine principles as outlined in NVG. As a good governance practice, this report is included in the Annual Report.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) : L99999DN1982PLC000128
- Name of the Company : JBF Industries Limited
- Registered Address : Survey No. 273, Village Athola, Silvassa – 396 230 Dadra & Nagar Haveli & Daman and Diu, Silvassa.
- Website : www.jbfindia.com
- E-mail id : sec.shares@jbfmail.com
- Financial Year reported : April 1, 2020 to March 31, 2021
- Sector(s) that the Company is engaged in (industrial activity code wise):

| NIC Code | Description |
|----------|---|
| 201 | Manufacture of Plastic in primary forms |
| 203 | Manufacture of Man made fibers |

- List three key product/services that the Company manufactures/ provides (as in balance sheet):
 - Polyester Chips
 - Polyester Yarn
 - Polyester Processed Yarn
- Total number of locations where business activity is undertaken by the Company
 - Number of International Locations (Provide details of major 5)
On standalone basis, the Company does not have any manufacturing unit outside India.
 - Number of National Locations :
JBFIL has business activity carried out in Five domestic locations. The manufacturing plants are situated at Athola and Saily (at Silvassa, Union Territory of Dadra and Nagar Haveli & Daman and Diu, Silvassa.) and GIDC Sarigam (Gujarat). The Company has its Corporate Office at Mumbai (Maharashtra) and Marketing Office at Surat (Gujarat).
- Markets served by the Company – Local/State/National/International
JBFIL is serving 75% of its sale in Local/State/National market and remaining 25 % of its sale is in international market covering 34 Countries Worldwide as on 31st March, 2021.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up capital (INR) : ₹ 81.87 Crores
- Total turnover (INR) : ₹ 2,205.45 Crores
- Total loss after taxes & exceptional items (INR) : ₹ (193.53) Crores
- During the year the Company has spent an amount of ₹ 216.80 Lakhs (out of earlier brought forward amount of earlier CSR budget) on CSR activities.
- List of activities in which expenditure in 4 above has been incurred:-
The company incurred major expenditure in Rural Development, Healthcare, Education.

SECTION C : OTHER DETAILS

- Does the Company have any Subsidiary Company / Companies?
Yes, the Company has one direct subsidiary, viz JBF Global Pte Ltd which has Five (5) subsidiaries (including step-down subsidiaries) as follows:
 - JBF Petrochemicals Limited
 - JBF RAK LLC
 - JBF Bahrain W.L.L.
 - JBF Global Europe BVBA
 - JBF Trade Invest Pte Ltd

Note:

- IDBI Trusteeship Services Limited, the Security Trustee to the lenders of JBF Petrochemicals Ltd. ("JPL"), a step down subsidiary, has exercised the rights of a 'Pledge' on behalf of the lenders and invoked the pledge over the pledged 51% equity shares of JPL held by JBF Global Pte Ltd and transferred the same to IDBI Trusteeship Services Ltd. However, lenders have not adjusted any amount against the JPL's borrowings so far.
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)
Yes. The Company encourages its subsidiary companies to participate in the BR Initiatives of the parent company to the extent practicable.
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]
No. Other entity/entities (e.g., suppliers, distributors, etc.) that the Company does business with, do not participate in the BR initiatives of the Company.

SECTION D: BR INFORMATION

- Details of Director/Directors responsible for BR
 - Details of the Director/Director responsible for implementation of the BR policy/policies

| DIN Number | 00232130 | 08294006 |
|-------------|-----------------------|------------------------------|
| Name | Mr. S. N. Shetty | Ms. Ujjwala Apte |
| Designation | Director – Legal & HR | Director – Company Secretary |

- Details of the BR head :

| No. | Particulars | Details | |
|-----|----------------------------|------------------------|------------------------------|
| 1 | DIN Number (if applicable) | DIN : 07962778 | DIN : 00403378 |
| 2 | Name | Mr. S. N. Shetty | Ms. Ujjwala Apte |
| 3 | Designation | Director – Legal & HR | Director - Company Secretary |
| 4 | Telephone Number | 022-2288 5959 | 022-2288 5959 |
| 5 | e-mail id | sec.shares@jbfmail.com | sec.shares@jbfmail.com |

- Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Principle 3: Businesses should promote the wellbeing of all employees

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Principle 5: Businesses should respect and promote human rights

Principle 6: Business should respect, protect, and make efforts to restore the environment

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 8: Businesses should support inclusive growth and equitable development

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of compliance (Reply in Y/N)

| Sr. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|---|---|----|----|-----|----|-----|----|-----|-----|
| 1 | Do you have a policy/ policies for... | Yes | No | No | Yes | No | Yes | No | Yes | Yes |
| 2 | Has the policy been formulated in consultation with the relevant stakeholders? | Yes | No | No | Yes | No | Yes | No | Yes | Yes |
| 3 | Does the policy conform to any national/ international standards? If yes, specify? (50 words) | Yes | No | No | Yes | No | Yes | No | Yes | Yes |
| | | The policies conform to the spirit of international standards like ISO 9000, ISO 14000, OHSAS 18000, to name a few. These policies reflects JBF group's commitment to improve the quality of life of the communities it serves and practice of returning to the society what it earns. The Company believes that these policies are adequately addressing the respective principles under NVG, as far as practicable and the policies are open for amendments as and when felt necessary. | | | | | | | | |
| 4 | Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? | Yes | No | No | Yes | No | Yes | No | Yes | Yes |
| 5 | Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | Yes | No | No | Yes | No | Yes | No | Yes | Yes |
| 6 | Indicate the link for the policy to be viewed online? | These policies are for internal circulation to JBF Employees. | | | | | | | | |
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders? | The policies have been communicated to key internal stakeholders. The communication is an on-going process to cover all the internal and external stakeholders based on their relevance. | | | | | | | | |
| 8 | Does the Company have in-house structure to implement the policy/ policies. | Yes | No | No | Yes | No | Yes | No | Yes | Yes |
| 9 | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies? | Yes | No | No | Yes | No | Yes | No | Yes | Yes |
| | | The whistle blower and vigil mechanism provides a platform to the employees to report any concerns or grievances pertaining to any potential or actual violation of declared policies and principles of the Company. Investor Grievance Mechanism is in place to respond to investor grievances. Ongoing communication with the customers, suppliers, vendors, dealers captures and resolves their concerns and grievances on product and service quality and other issues of interest to them. | | | | | | | | |
| 10 | Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | Yes | No | No | Yes | No | Yes | No | Yes | Yes |
| | | The implementation of the policies are reviewed internally and externally. Internally, the Company has CSR Committee and Risk Management Committee to evaluate working and implementation and externally, the Internal Auditors assesses the Quality, Safety & Health and Environmental policies and HR/Personnel practices as part of certification process. | | | | | | | | |

If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

| Sr. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|--|----|----|----|----|----|----|-----|----|----|
| 1 | The company has not understood the Principles | | | | | | | | | |
| 2 | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | | | | | | | | | |
| 3 | The company does not have financial or manpower resources available for the task | | ✓ | | | ✓ | | | | |
| 4 | It is planned to be done within next 6 months | | | | | | | | | |
| 5 | It is planned to be done within the next 1 year | | | | | | | | | |
| 6 | Any other reason (please specify) *Need for a written policy was not felt. Suitable decision for a written policy will be taken at appropriate time. **Not Applicable. The Company is not engaged in influencing public and regulatory policy. | | | *✓ | | | | **✓ | | |

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year : Quarterly

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the Company is publishing Business Responsibility Report (BRR) as a part of Annual Report, as a good governance practice. BRR is published on annual basis. It is also available on the Company's website <http://www.jbfindia.com>

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

Anti-Corruption Compliance Policy of the Company is applicable to all directors, officers, employees, agents, representatives and other associated persons of the Company. The Company encourages its Suppliers, Contractors, Vendors and other associates to govern themselves with ethics, transparency and accountability.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No stakeholder complaints were received during the year on the conduct of business involving ethics, transparency and accountability.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

JBFIL is a leading manufacturer of Polyester Chips, POY, FDY & Processed Polyester Yarns in India and has played a significant role over the years in contributing to the economic growth of the communities surrounding its operations and in general the nation also. The Company is fully aware of its responsibility as a growth promoter and is continuously engaged with all the stakeholders for the growth of all concerned. The Company is also aware of the environmental impacts caused during production and lifecycle of its products and continually strives to innovate to reduce and minimize the adverse impacts.

The company has adopted technology for minimizing the waste generation to reduce the adverse impact on social and environmental components.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

JBFIL is conscious of its resources requirements and continuous effort is being made to reduce the resources inputs like water electricity/fuel and raw material in all the three manufacturing locations. To reduce water consumption the company is recycling part of its treated waste water for manufacturing purpose.

JBFIL works continuously with its suppliers and vendors to reduce the environmental impacts in the sourcing stage. Use of returnable and recyclable packing solutions for most of the components has been a key initiative to manage cost and quality, reduce material use and avoid waste generation.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The company is manufacturing industrial products hence it is not feasible to measure the usage of water and energy by consumers. The company is having a technical team to support the customer to improve the efficiency and runability as and when required.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

All the manufacturing activity are in compliance with ISO 14001 (Environment Management Systems). All the manufacturing is continuous to reduce Raw Material Wastage and improve product yield. The Company continually works with its vendors and suppliers to reduce the environmental impacts of sourcing. Significant measures have been taken to reduce the packaging impacts in the supply chain by using recycled/returnable packaging solutions for various components sourced. Transportation and logistics optimization is an ongoing activity to reduce the related environmental impacts..

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company is procuring most of its packing and consumable related resource requirement from the local and small producers. Many of the services are also outsourced to local small scale enterprises at all the three locations. The company has initiated and engaged local villagers and small businesses around its plant in productive employment through vehicle hiring, material handling, house-keeping etc. since the inception. Today such villagers are owner of more than one vehicle and also the some of the small enterprises now becomes the entrepreneur. Thus company has promoted entrepreneurship for the local and small producer including communities.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

It is ongoing process to have a mechanism to reduce, to recycle and to reuse the available resources. JBFIL is adopting the process technology and operational control measures which leads to minimize the generation of process waste. In spite of control, the nature of operation is generating some amount of waste which is unavoidable. Such process waste and waste oil is recycled through authorized re-processors.

The company is generating water during the process of polymerization as waste water which has been treated and recycled for makeup of cooling tower as well as green belt development. The company is having primary, secondary and tertiary treatment facilities at all the three locations and ensuring that quality of the effluent meets or is better than the prescribe standard .The company is reducing 25% of its fresh water requirement by recycling.

Principle 3: Businesses should promote the well-being of all employees.

1. Please indicate total number of employees: 2602
2. Please indicate total number of employees hired on temporary / contractual / casual basis: 1569 (out of it 64 Female labours)
3. Please indicate the Number of permanent women employees: 15
4. Please indicate the Number of permanent employees with disabilities : 01 Nos
5. Do you have an employee association that is recognized by the Management?
No
6. What percentage of permanent employees is members of this recognized employee association? Not Applicable
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

| Sr. No. | Category | No. of complaints filed during the financial year | No. of complaints pending as on end of the financial year |
|---------|---|---|---|
| 1 | Child labour/ forced labour/ involuntary labour | Nil | Nil |
| 2 | Sexual harassment | Nil | Nil |
| 3 | Discriminatory employment | Nil | Nil |

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- (a) Permanent Employees - 60 %
- (b) Permanent Women Employees - 100 % (the women employees are employed at Corporate Office of the Company)
- (c) Casual/Temporary/Contractual Employees – 43%
- (d) Employees with Disabilities – 100 %

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its internal as well as external stakeholders.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes, through JBFIL Stakeholder engagement the disadvantaged, vulnerable & marginalized stakeholders are identified.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Our CSR programmes and projects are aimed at serving the deserving, socio-economically backward and disadvantaged communities aimed at improving the quality of their lives. JBFIL goes beyond its business activities to create societal impact through its CSR activities and is working towards disadvantaged, marginalized and vulnerable communities. The company is pursuing and promoting educations in institutions located at backward/tribal dominant populations/area. The company has also taken initiatives to empower some of the differentially enabled members of community. The Company has taken several initiatives designed to benefit disadvantaged, vulnerable and marginalised stakeholders such as elderly persons, differently abled persons, mentally challenged children. Further, the Company had also taken initiatives such as girl child education, construction of toilets, Art & Culture and sanitation facilities and rural development projects under its CSR programs.

Principle 5: Businesses should respect and promote human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?

Although the Company does not have a policy on human rights, the Company respects the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers and vulnerable and marginalized groups. The Company encourages its subsidiaries and its Suppliers, Contractors, Vendors and other associates for the same, to the extent practicable.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the financial year 2020-21, the Company did not receive complaints from any stakeholders other than its shareholders, all of which were resolved by the management. The Company has a grievance redressal mechanism to respond to any complaints/grievances from the investors and other stakeholders in a timely and appropriate manner.

Principle 6: Businesses should respect, protect and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.

The Company's Policy on Safety, Health and Environment extends to its subsidiaries to the extent practicable. The Company encourages its Suppliers, Contractors, Vendors and other associates to respect, protect and make efforts to restore the environment.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming etc? Y/N. If yes, please give hyper-link for webpage etc.

No.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes. JBFIL has an Environmental Policy which guides the Company's efforts to manage its environmental impacts and continually improve its environmental performance. All manufacturing plants in India are certified to ISO 14001 Environmental Management Systems (EMS) standard. As part of EMS implementation potential environmental risks are identified and appropriate mitigation strategies are planned. For any new and upcoming project potential environment risk are identified while preparing environment assessment and also mitigated through incorporation of environment

management plan. There is regular provision of environmental audit which help further in identification of risk and corrective actions are taken to mitigate the same. The company is having environment management system and integrated quality and safety management system.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

No.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. The Company is in compliance within the prescribed permissible limits as per CPCB/SPCB for air emissions, effluent quality and discharge, solid and hazardous waste generation and disposal.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your Company a member of any trade and chambers of association? If yes, name only those major ones that your business deals with.

The Company is a Member of :

- Bharat Merchant Chamber
- PTA Users Association
- Green Gene Enviro Protection and Infra
- Sarigam Industries Asociation
- The Synthetic & Rayon Textile
- Silvassa Industiral Association

2. Have you advocated /lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

No. The Company is not engaged in influencing public and regulatory policies.

Principle 8: Businesses should support inclusive growth and equitable development.

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, the Company has formulated a well-defined CSR policy, which focuses on Education, Health care, Swachh Bharat Abhiyan and conserving environment. JBFIL under took CSR activities like toilet construction, promoting education, rural development, conserving environment, Art & Culture etc. JBFIL believes in creating opportunities of the people around there operation enable a sustainable future and ensure inclusive growth.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

CSR Programmes and Projects are deployed by company directly through its in house team.

3. Have you done any impact assessment of your initiative?

Yes. The impact assessment for CSR Initiatives is been carried out through external agencies to evaluate the impact made on the lives of beneficiary and also to facilitate the decision making process.

4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.

During the year under review, the Company has spent an amount of ₹ 216.80 Lakhs (out of earlier brought forward amount of earlier CSR

budget) on CSR activities mainly on education, health care, toilets construction, vocational training like skill enhancement activity, Art & Culture, computer education etc. for rural woman, senior citizen and school children. The Company has already made a commitment of ₹ 1.35 Crore including unutilised amount for the earlier years.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes, the Company has taken steps to ensure that the community initiatives benefit the community. Projects such as toilets construction and supporting Swachh Bharat Abhiyan, vocational training like skill enhancement activity, computer education etc. for rural woman, senior citizen and school children evolve out of the felt needs of the communities. The Communities actively work together with the Company and derives valuable benefits.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

The Company has a separate technical team to attend customer complaint. The company has received 65 nos of customer complaints during the F.Y. 2020-21, out of which 65 Nos. of complaints were successfully resolved at the end of F.Y. 2020-21. Subsequently, most of these complaints have been resolved.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A. /Remarks (additional information)

JBFIL adheres to all the statutory Product labeling requirement and display the product information.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

There have been no cases relating to unfair trade practices, irresponsible advertising and/or anti-competitive behavior against JBFIL in the last five years.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

JBFIL organized the customer meet along with the managers/plant personnel of the customer and create the open form discussions for the further improvisation in products and services. Technical team of JBFIL regularly visiting and interacting with the plant personnel of the customers for direct feedback on customer requirement and satisfaction.

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2021.

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

| | | |
|--|---|---|
| i) CIN : - | : | L99999DN1982PLC000128 |
| ii) Registration Date | : | 12th July, 1982 |
| iii) Name of the Company | : | JBF Industries Limited |
| iv) Category/Sub-Category of the Company | : | Company limited by Shares / Non-govt company |
| v) Address of the Registered office and contact details | : | Survey No. 273, Village Athola, Dadra and Nagar Haveli and Daman and Diu, Silvassa-396 23. (India). |
| | | Tel. : +91-0260-2642745/46 |
| | | Fax : +91-0260-2642297 |
| vi) Whether listed Company | : | E-mail : sec.shares@jbfmail.com |
| vii) Name, Address and Contact details of Registrar and Transfer Agent, if any | : | Link Intime India Pvt. Ltd., C 101, 247 Park, L. B. S. Marg, Vikhroli (W), Mumbai – 400 083 Tel. No. +91 022 49186270. E-mail id: rnt.helpdesk@linkintime.co.in |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated :-

| Sl. No. | Name and Description of main products / services | NIC Code of the product/service | % to total turnover of the Company |
|---------|--|---------------------------------|------------------------------------|
| 1 | Polyester Chips | 302.90 | 45.21% |
| 2 | Partially Oriented Yarn / Fully Drawn Yarn / Polyester Texturised Yarn / Flat Yarn | 247.10 | 54.79% |

III. Particulars of holding, subsidiary and associate companies –

| Sl. No. | Name and Address of the Company | CIN /GLN | Holding/ Subsidiary/ Associate | % of shares held | Application Section |
|---------|--|------------|--------------------------------|------------------|---------------------|
| 1 | JBF Global Pte Ltd 112 Robinson Road #05-01 Singapore 068906. With its Subsidiaries JBF Trade Invest Pte Ltd JBF Petrochemicals Ltd JBF RAK LLC JBF Global Europe BVBA JBF Bahrain W.L.L. (Previously known as JBF Bahrain S.P.C.) | 201435082W | Subsidiary | 85.50% | 2(87)ii |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | %Change during the year |
|---|---|----------|-----------------|-------------------|---|----------|-----------------|-------------------|-------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoter | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 21270506 | 0 | 21270506 | 25.98 | 20570506 | 0 | 20570506 | 25.13 | 0.85 |
| b) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) State Govt (s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Bodies Corp. | 3744357 | 0 | 3744357 | 4.57 | 3744357 | 0 | 3744357 | 4.57 | 0 |
| e) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Any Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-Total (A) (1):- | 25014863 | 0 | 25014863 | 30.55 | 24314863 | 0 | 24314863 | 29.70 | 0.85 |
| (2) Foreign | | | | | | | | | |
| a) NRIs - Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Other - Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Bodies Corp. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Any Other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-Total (A) (2) :- | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| Total Shareholding of Promoter (A) = (A)(1) + (A)(2) | 25014863 | 0 | 25014863 | 30.55 | 24314863 | 0 | 24314863 | 29.70 | 0.85 |

| B. Public Shareholding | | | | | | | | | |
|---|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|----------|
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 7900 | 0 | 7900 | 0.01 | 7900 | 0 | 7900 | 0.01 | 0 |
| b) Banks / FI | 212 | 100 | 312 | 0.00 | 312 | 0 | 312 | 0.00 | 0 |
| c) IEPF | 177184 | 0 | 177184 | 0.22 | 177184 | 0 | 177184 | 0.22 | 0 |
| d) State Govt(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| f) Insurance | 2120487 | 0 | 2120487 | 2.59 | 2120487 | 0 | 2120487 | 2.59 | 0 |
| g) FIs/FPOs | 11775738 | 0 | 11775738 | 14.38 | 4930707 | 0 | 4930707 | 6.02 | 0 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| i) Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| Sub-Total (B)(1) :- | 11775738 | 100 | 14081621 | 17.20 | 7236590 | 0 | 7236590 | 8.84 | |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 4477907 | 3250 | 4481157 | 5.47 | 4271029 | 3250 | 4277529 | 5.22 | -203628 |
| ii) Overseas | | | | | | | | | |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holders nominal share capital upto ₹ 2 lakh | 9446183 | 545537 | 9991720 | 12.20 | 13191992 | 541906 | 13733898 | 16.77 | +4284084 |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh | 7902095 | 0 | 7902095 | 9.66 | 11342495 | 0 | 11342495 | 13.85 | +3440400 |
| c) Qualified Foreign Inst. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| d) Any Other | | | | | | | | | |
| i) N R I (Repat) | 1215257 | 1346 | 1216603 | 1.49 | 659813 | 1346 | 661159 | 0.81 | -554098 |
| ii) N R N (Non Repat) | 612324 | 0 | 612324 | 0.75 | 654052 | 0 | 654052 | 0.80 | -561205 |
| iii) Foreign Company | 16549363 | 0 | 16549363 | 20.21 | 16549363 | 0 | 16549363 | 20.21 | |
| iii) Clearing Members | 67217 | 0 | 67217 | 0.08 | 1007765 | 0 | 1007765 | 1.23 | +940638 |
| iv) Hindu Undivided Fly | 1874079 | 0 | 1874079 | 2.29 | 2011478 | 100 | 2011578 | 2.46 | +137499 |
| v) Directors / Relatives | 80607 | 0 | 80607 | 0.10 | 80607 | 0 | 80607 | 0.10 | |
| vi) Office Bearers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| vii) NBFC's (RBI) | 150 | 0 | 150 | 0.00 | 150 | 0 | 150 | 0 | |
| viii) Trusts | 50 | 0 | 50 | 0.00 | 5050 | 0 | 5050 | 0.01 | +5000 |
| Sub-Total (B)(2) :- | 41674125 | 550133 | 42775365 | 52.25 | 49773794 | 546602 | 50320396 | 61.46 | |
| Total Public Shareholding (B) = (B)(1) + (B)(2) | 53449863 | 550233 | 56856986 | 69.45 | 57010384 | 546602 | 57556986 | 70.30 | |
| Total (A) + (B) | 80876414 | 995435 | 81871849 | 100.00 | 81325247 | 546602 | 81871849 | 100.00 | |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| 1. Promoters | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| 2. Public | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| Sub-Total (C) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| Grand Total (A+B+C) | 80876414 | 995435 | 81871849 | 100.00 | 81325247 | 546602 | 81871849 | 100.00 | |

(ii) Shareholding of Promoters

| Sl. No. | Shareholder's Name | Share holding at the beginning of the year | | | Share holding at the end of the year | | | %Change share holding during the year |
|---------|------------------------------|--|--------------------------------------|--|--------------------------------------|--------------------------------------|--|---------------------------------------|
| | | No. of Shares | % of the total Shares of the Company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of the total Shares of the Company | % of Shares Pledged / encumbered to total shares | |
| 1 | Bhagirath Arya | 17845063 | 21.80 | 99.69 | 17145063 | 20.94 | 99.67 | 8.55 |
| 2 | Chinar Arya Mittal | 3411365 | 4.17 | 52.76 | 3411365 | 4.17 | 82.76 | 0 |
| 3 | Vaidic Resources Private Ltd | 3744357 | 4.57 | 99.60 | 3744557 | 4.57 | 99.60 | 0 |
| 4 | Cheerag Bhagirath Arya | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 | Veena B Arya | 14078 | 0.02 | 0 | 14078 | 0.02 | 0 | 0 |

iii) Change in Promoters' Shareholding (Please specify, if there is no change)

| Sr no | Shareholder's Name | Shareholding at the beginning of the year | | Transaction Details | | | Cumulative Shareholding during the year | |
|-------|--------------------------|---|----------------------------------|---------------------|-----------|------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | Sales | Purchases | Date | No. of Shares | % of total shares of the Company |
| 1 | Bhagirath C Arya | 17845063 | 21.80 | 700000 | -- | 20.11.2020 | 17145063 | 20.94 |
| 2 | Vaidic Resources Pvt Ltd | 3744357 | 4.57 | -- | -- | -- | 3744357 | 4.57 |
| 3 | Cheerag B Arya | 0 | | -- | -- | -- | 0 | 0.00 |
| 4 | Veena Arya | 14078 | 0.02 | -- | -- | -- | 14078 | 0.02 |
| 5 | Chinar Arya Mittal | 3411365 | 3.83 | -- | -- | -- | 3411365 | 4.17 |

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

| For Each of the Top 10 Shareholders No. of Shares | | Shareholding at the beginning of the year | | Shareholding at the end of the year | |
|---|--|---|----------------------------------|-------------------------------------|----------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | KKR JUPITER INVESTORS PTE LTD. | 16374370 | 20.00 | 16374370 | 20.00 |
| 2 | JUPTER INDIA FUND | -- | -- | 2496679 | 3.05 |
| 3 | LIFE INSURANCE CORPORATION OF INDIA | 2120487 | 2.59 | 2120487 | 2.59 |
| 4 | AI MEHWAR CMEERCIAL INVESTMENT LIC – (Noosa) | 1057000 | 1.29 | 1057000 | 1.29 |
| 5 | TEAM INDIA MANAGERS LTD | -- | -- | 833548 | 1.02 |
| 6 | INDIA MAX INVESTMENT FUND LIMITED | -- | -- | 833548 | 1.02 |
| 7 | VALLABH ROOPCHAND BHANSHALI | -- | -- | 771400 | 0.94 |
| 8 | LATA BHANSHALI | -- | -- | 760339 | 0.93 |
| 9 | MEENU BHANSHALI | -- | -- | 706100 | 0.86 |
| 10 | JUPITER SOUTH ASIA INVESTMENT COMPANY LIMITED - SOUTH ASIA ACCESS FUND | -- | -- | 543480 | 0.66 |

v) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

| | Secured Loans excluding Deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|-----------|--------------------|
| Indebtedness at the beginning of the financial year (01.04.2016) | | | | |
| i) Principal Amount | 2,322.33 | 210.29 | -- | 2,532.62 |
| ii) Interest due but not paid | 373.16 | -- | -- | 373.16 |
| iii) Interest accrued but not due | -- | -- | -- | -- |
| Total (i + ii + iii) | 2,695.49 | 210.29 | -- | 2,905.78 |
| Change in Indebtedness during the financial year | | | | |
| Reduction in short term Borrowings | (8.77) | (23.88) | -- | (32.65) |
| Exchange Difference | (7.00) | -- | -- | (7.00) |
| Net changes in working capital | 3.80 | -- | -- | 3.80 |
| Transaction Cost | 0.16 | -- | -- | 0.16 |
| Net Change | (11.81) | (23.38) | -- | (35.19) |
| Net Change at the end of the financial year (31.03.2021) | | | | |
| i) Principal Amount | 2,310.52 | 186.91 | -- | 2,497.43 |
| ii) Interest due but not paid | 546.46 | -- | -- | 546.46 |
| iii) Interest accrued but not due | -- | -- | -- | -- |
| TOTAL (i + ii + iii) | 2,856.98 | 186.91 | -- | 3,043.89 |

vi) Shareholding of Directors and Key Managerial Personnel

| Sr no | Shareholder's Name | Shareholding at the beginning of the year | | Transaction Details | Cumulative Shareholding during the year | |
|-------|--------------------------------|---|----------------------------------|---------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | | No. of Shares | % of total shares of the Company |
| 1 | Bhagirath Arya | 17845063 | 21.80 | 700000 | 17145063 | 20.94 |
| 4 | Mrs. Ujjwala G Apte, | 54456 | 0.06 | - | 54456 | 0.06 |
| 6 | Mr. S N Shetty | | | | | |
| 7 | Yash Gupta w.e.f 12.02.2021 | -- | -- | -- | -- | -- |
| 8 | Sangita Chudiwala | -- | -- | -- | -- | -- |
| 9 | Ravi A Dalmia | 78107 | 0.95 | -- | 78107 | 0.95 |

vii). REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| Sl. No. | Particulars of Remuneration | NAME OF THE DIRECTORS | | | | Total Amount ₹ In Lacs |
|---------|---|--------------------------|----------------------------|-------------------------------|--|------------------------|
| | | Mr. B C Arya Chairman | Mr. S N Shetty Director | Mrs. Ujjwala Apte Director | Mr. Yash Gupta Addl Director w.e.f. 12.02.2021 | |
| 1. | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under | 60.80 5.98 -- | 45.49 1.06 -- | 50.04 0.88 -- | 5.26 0.58 -- | 161.59 8.50 -- |
| 2. | Stock Option | -- | -- | -- | -- | -- |
| 3. | Sweat Equity | -- | -- | -- | -- | -- |
| 4. | Commission - as % of profit - others, specify... | -- -- -- | -- -- -- | -- -- -- | -- -- -- | -- -- -- |
| 5. | Others, please specify | -- | -- | -- | -- | -- |
| | Total (A) | 66.78 | 46.55 | 50.92 | 5.84 | 170.09 |

B. Remuneration to other directors:

1. Independent Directors

| Sl. No. | Particulars of Remuneration | NAME OF THE DIRECTORS | | | Total Amount ₹ In Lacs |
|---------|--|------------------------|-----------------|----------------------|------------------------|
| | | Mrs. Sangita Chudiwala | Mr. Ravi Dalmia | Mr. Suresh Choudhary | |
| | - Fee for attending Board/Committee Meetings | 3.40 | 3.10 | 3.00 | 9.50 |
| | - Commission | -- | -- | -- | -- |
| | - Others, please specify | -- | -- | -- | -- |
| | Total (B)(1) | 3.40 | 3.10 | 3.00 | 9.50 |

2. Other Non Executive Directors

| Sl. No. | Particulars of Remuneration | Name of Director | Total Amount ₹ In Lacs |
|---------|--|------------------|------------------------|
| | - Fee for attending Board/Committee Meetings | -- | -- |
| | - Commission | -- | -- |
| | - Others, please specify | -- | -- |
| | Total (B)(1) | -- | -- |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---------|--|--------------------------|----------------|----------------|----------------|
| 1 | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | -- | -- | -- | -- |
| 2 | Stock Option | -- | -- | -- | -- |
| 3 | Sweat Equity | -- | -- | -- | -- |
| 4 | Commission - as % of profit - others, specify... | -- -- -- | -- -- -- | -- -- -- | -- -- -- |
| 5 | Others, please specify | -- | -- | -- | -- |
| | Total | -- | -- | -- | -- |

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD/ NCLT / COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|--|---|------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | There has been instance of non compliance in respect of late adoption of regulation 33 financial results for quarter ended 30th June, 2020 and 30th September, 2020 due to lock down declared by Govt. | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | None | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | None | | | |
| Punishment | | | | | |
| Compounding | | | | | |

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under

(₹ InLakh)

| Sl. No | Name of Director/KMP | Designation | Remuneration of Director/KMP for the financial year 2020-21 | % increase/ (Decreases) in remuneration in the financial year 2020-21 | Ratio of remuneration of each Director/to median remuneration of employees | Comparison of the remuneration of the KMP against the performance of the Company |
|--------|---|---|---|---|--|--|
| 1 | Mr. Bhagirath Arya | Chairman (Upto 30.12.2020) Non-Executive Director (w.e.f 31.12.2020) | 73.42 | -50.19% | 21.40 | Loss before tax decreased by Rs 42.86% and Loss after tax decreased by Rs 41.72% in the financial year 2020-21 as compared to previous year. |
| 2 | Mr. S N Shetty | Director | 51.71 | 176.97% | 15.08 | |
| 3 | Mrs. Ujjwala Apte | Director & Company Secretary# | 50.62 | 19.22% | 14.76 | |
| 4 | Mr. Yash Gupta (w.e.f. 12.02.2021) | Additional Director | 6.08 | - | 1.77 | |
| 5 | Ms.Sangita Vikash Chudiwala | Non-Executive Independent Director | ** | ** | ** | ** |
| 6 | Mr Ravi A Dalmia | Non-Executive Independent Director | ** | ** | ** | ** |
| 7 | Mr. Suresh Choudhary (up to 12.02.2021) | Non-Executive Independent Director | ** | ** | ** | ** |
| 8 | Mr. Satish Mathur (w.e.f. 12.02.2021) | Non-Executive Independent Director | ** | ** | ** | ** |

** Only sitting fee paid to Non-Executive Independent Director and detail are give in Corporate Governance.

Company Secretary for the year 2020-21

ii) Percentage increase in the median remuneration of all employees in the financial year 2020-21

The median remuneration of employees of the Company during the financial year was Rs 3.43 lacs. In the financial year, there was 3.63% increase in the median remuneration of employees.

iii) Number of permanent employees on the rolls of Company as on 31st March 2021:

There were 2602 permanent employees on the rolls of Company as on 31 March 2021

iv) Relationship between average increase in remuneration and company performance:

The loss before Tax for the financial year ended 31 March 2021 decreased. The remuneration was in line with the performance of the Company and linked to the individual performance apart from the performance of the Company.

v) The Key parameters for the variable component of remuneration:

The Key parameters for the variable component of remuneration availed by the Key Managerial Personnels (KMP) are the overall financial performance of the Company, initiative taken by the KMPs, the responsibility accepted and their performance during the year. These parameters are approved by the Board of Directors based on the recommendation of Nomination and Remuneration Committee and subject to the limit prescribed in the resolution passed by the shareholders in their meeting.

The Company pays only sitting fees to the Non Executive and Independent Directors. The commission is paid only to the Executive Chairman depending upon the performance of the Company, subject to a limit exceeding 1% p.a of the profit of the Company calculated as per the norms prescribed in the Companies Act, 2013, and the limit approved by the shareholders in their meeting.

- vi) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies.

| Particular | As on 31st March, 2021 | As on 31st March, 2020 | As on last Offer as on 10/06/2005 | Percentage Increased |
|--------------------------------------|------------------------|------------------------|-----------------------------------|----------------------|
| Market Captlization (₹ In Lacs) | 12,035.16 | 6,386.00 | | 88.46% |
| PE | -0.62 | -0.19 | ** | 223.35% |
| Market Quotation of Equity Share (₹) | 14.70 | 7.80 | 157.15 | 88.46% |

REPORT ON CSR ACTIVITIES

The disclosures under section 135 of the Companies Act, 2013, read with the rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in Annexure to the Directors' Report.

In line with the requirements of the Companies Act, 2013, the Company has constituted a CSR Committee. The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of CSR Policy and recommending the amount to be spent on CSR activities.

The Company's CSR Policy framework formulates the mechanism for undertaking various programs in accordance with Section 135 of The Companies Act, 2013 for the benefits of community.

The Composition of the CSR Committee as on March 31, 2021:

The CSR Committee of the Board was reconstituted consisting of Mr. S. N. Shetty as (Chairman) and Mrs. Ujjwala Apte as (Member) of the Committee. Mrs. Sangita Chudiwala, Independent Director of the Company as (Member)

Average net profit of the Company for last three financial years is negative.

Budget for CSR expenditure for the year 2020-21 : ₹ Nil

Total Budget for CSR expenditure for the Financial Year : ₹ 3.52 Crore including unutilised amount for the earlier years.

Already committed for various CSR activities as above : ₹ 3.52 Crore including unutilised amount for the earlier years.

Expenditure made from April, 2020 to March, 2021 : ₹ 2.17 Crore spent for the year 2016-17 & 2017-18 carry forward.

Balance to be spent : ₹ 1.35 Crore.

Details of CSR committed activities during the financial year:

1. Promoting preventive health care
2. Rural Sanitation project under Prime Minister Swatcha Bharat Abhiyan constructing toilets.
3. Promotion education.
4. Promoting gender equality.
5. Rural development projects keeping ecological balance.

Reasons for not spending the stipulated CSR expenditure:

The Company had committed an amount of ₹ 1.35 Crore as CSR budget for F.Y. 2017-18 & 2018-19 and had already committed the expenses towards CSR activities During the year, the Company has spent an amount of ₹ 2.17 Crore from the previously carried forward amount of unspent CSR budget of previous years.

However, due to business losses and liquidity crunch faced by the Company and restructuring process with the lenders, the Company was not able spend any amount from the aforesaid CSR budget of F.Y. 2020-21.

Responsibility Statement:

The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company is reproduced below:

"The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company"

S. N. Shetty

Additional Director – Legal & HR
Chairman, CSR Committee

SECRETARIAL AUDIT REPORT**For the Financial Year ended 31st March, 2021**

To,
The Members,
JBF Industries Limited
Survey No. 273,
Village Athola, Silvasa,
Dadar Nagar Haveli - 396230.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by JBF Industries Limited (CIN: L99999DN1982PLC000128) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, papers, Minute Books, Forms and Returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the Financial year ended 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, papers, Minute books, Forms, Statutory Register and returns filed and other records maintained by Company as given in Annexure I, for the period ended on as stated above to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; to the extent applicable
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the Company during the Audit period)
 - c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the Audit period)
 - e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Audit period)
 - f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit period)
 - g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not applicable to the Company during the Audit period)
 - h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
 - j) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit period)
 - k) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
- (vi) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company commensurate with the size and operations of the company to

monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines. Annexure II.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, entered into by the Company with BSE Limited and National Stock Exchange India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that, having regard to the Compliance system prevailing in the Company and examination of relevant documents and records in pursuance thereof on test check basis, the Company has complied with the following specifically applicable Act to the Company:

1. Factory License Act, 1948

We further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices are given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. However, the Company has not complied with provisions of the Section 173 as the gap between the 1st Board meeting of F.Y. 2020-21 and previous Board meeting in 198 days.

All decisions at Board Meetings and Committee Meeting are carried by the consent of the majority Board members as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that during the F.Y. 2020-21, a separate meeting of Independent Directors was held, as per the provisions of Schedule IV to the Companies Act, 2013.

We further report that the Audited Financial Statement of the Company for the year ended 31st March, 2021 are subject to Auditors qualified remarks in the Independent Auditors Report.

We further report that as per the provisions of the Payment of Gratuity Act, 1972, the Company has not obtained the insurance policy under Section 4A the liability for payment towards the gratuity under this Act, from the Life Insurance Corporation of India established under the Life Insurance Corporation of India Act, 1956 (31 of 1956) or any other prescribed insurer.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines. We do not report on financial transactions, defaults in repayment of any loan/ debts or deposits/ interest thereon, if any, as the same is either carried out by the Statutory Auditors/ Internal Auditors and other designated professional/s.

We further state that due to Covid-19, documents and records requested by email from Factories is awaited and reliance is being made, while providing this certificate, on the representation made by the Company and its Officers.

FOR JAGDISH PATEL & CO.

Unique Code No.: P1991GJ052300

Company Secretaries,

CS Ronak Kalathiya

Partner

UDIN: A037007C000400348

Place: Mumbai

Date : 31st May, 2021

This Report to be read with our letter of even date which is annexed as Annexure "A" and forms an integral part of this report.

Annexure A'

To,
The Members,
JBF Industries Limited
Survey No. 273,
Village Athola, Silvassa,
Dadar Nagar Haveli 396230

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

FOR JAGDISH PATEL & CO.

Unique Code No: P1991GJ052300

Company Secretaries,

CS Ronak Kalathiya

Partner

UDIN: A037007C000400348

Place: Mumbai

Date : 31st May, 2021

Annexure -I

List of documents Verified

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the Financial year ended 2020.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee, finance Committee and CSR Committee along with Attendance Register held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year under report.
5. Statutory Registers.
6. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 149,164 & 184 of the Companies Act, 2013.
8. Intimations received from directors under the prohibition of Insider Trading Code.
9. e-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report
10. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the Regulations of SEBI(LODR) Regulations, 2015 during the financial year under report.
11. Documents related to payments of dividend made to its shareholders during the financial year under report.
12. Applicability of provisions of Section 188 & 189 of Companies Act, 2013 related to Related Party Transactions.

Annexure -II

- Registered office:
Survey No. 273, Village Athola, Silvassa, Dadar Nagar Haveli 396230
- Corporate office:
8th Floor, Express Tower, Nariman Point, Mumbai 400021
- Plants:
 1. Saily Plant: Plot No 156/2, Saily Rakholi Road, Village Saily, Silvassa Dadar Nagar Haveli 396230
 2. Athola Plant: Survey No 273, Umerkuin Road, Village Athola, Dadar Nagar Haveli 396230
 3. Sarigam Plant: Plot No 11&215 to 231, GIDC Industrial Estate, Sarigam, Dist Valsad 396155
- List of applicable laws to the Company:
 1. Income tax Act, 1961
 2. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act, 2013
 3. Foreign Exchange Management act, 1999
 4. Maternity Benefit Act, 1961
 5. Workmen's Compensation Act
 6. Payment of Gratuity Act
 7. Payment of Bonus act, 1965
 8. Provident Fund Act, 1975
 9. Industrial Disputes Act, 1947
 10. Air (Prevention and control of Pollution) & Water (Prevention and control of Pollution)
 11. Apprentices Act,1961
 12. Contract Labour (Regulation and Abolition) Act, 1970
 13. Factories Act, 1948
 14. Shops & Establishments Act
 15. Minimum Wages act,1948
 16. Payment of Wages Act. 1936
 17. Employees' State Insurance Act, 1948
 18. Industrial Employment (Standing Orders) Act, 1946
 19. Equal Remuneration Act,1976
 20. Employment Exchange (Compulsory Notification of Vacations) Act, 1956
 21. Acts prescribed under Environmental Protection
 22. Profession Tax Act,1975
 23. Goods and Service Tax Act, 2017

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

To
The Members of JBF Industries Limited.
Qualified Opinion

We have audited the accompanying Standalone Financial Statements of JBF Industries Limited ("the Company"), which comprise the balance sheet as at 31st March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, excepts for the effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid Standalone Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, and its loss including other comprehensive income, the statement of changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

- (i) As mentioned in Note 34.1 to the Standalone Financial Statements, provision of interest @ 9% p.a. on its borrowings aggregating to ₹ 2364.98 Crores for the year ended from 1st April 2020 to 31st March 2021 as against the documented rate, resulting into lower provision of finance cost for the year ended 31st March, 2021 by ₹ 178.01 Crores, which is not in compliance with Ind AS -23 "Borrowings Costs" read with Ind AS-109 on "Financial Instruments".
Aggregate amount of Interest not provided for as at 31st March, 2021 is ₹ 421.03 crores. Had the interest been provided at the documented rate, finance cost, net loss after tax for the year, total comprehensive income and EPS for the year ended 31st March, 2021 would have been ₹ 421.03 Crores, ₹ (371.54) Crores, ₹ (371.66) Crores, ₹ (45.38) as against the reported figure of ₹ 243.02 Crores, ₹ (193.53) Crores, ₹ (193.65) Crores and ₹ (23.64) in the above Statements. Further current financial liabilities – others and other equity as at 31st March 2021 would have been ₹ 1819.21 Crores and ₹ (310.34) Crores respectively as against the reported figure of ₹ 1398.18 Crores and ₹ 110.69 Crores respectively in the above Statements.
- (ii) As mentioned in Note 37.3 to the Standalone Financial Statements regarding the application filed with the National Company Law Tribunal (NCLT), by one of the operational creditors of JBF RAK LLC (JBF RAK), situated at UAE, a subsidiary of the company, against the Company, for supply of raw materials to JBF RAK and claim of ₹ 128.48 Crores (US\$ 19,899,091.53) as per notice dated 17th February, 2020. No provision has been considered for the above claim for the reasons stated therein. The matter described in above has uncertainties related to the outcome of the legal proceedings and hence we are unable to quantify the provisions for above claim at this stage, if any, and its consequential impacts on the financial statements of the Company.
- (iii) As mentioned in the Note 45 to the Standalone Financial Statements, company has exposure in subsidiaries by way of investments, loans and other receivables aggregating to ₹ 1469.63 Crores (as at 31st March, 2020 ₹ 1515.69 Crores) in respect of which the company could not carry out impairment assessments due to the reasons mentioned therein. We are unable to obtain sufficient appropriate audit evidence about the recoverable amount of the Company's exposure. Consequently, we are unable to quantify the provisions for impairments in respect of the above and its consequential impacts on the financial Statements of the Company.

We concluded our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained are sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

Material Uncertainty Related to Going Concern

Note 46 to the Standalone Financial Statements, regarding preparation of financial Statements on going concern basis, notwithstanding the fact that the Company has incurred the losses, defaulted in repayment of principle and interest to its lenders, lenders have classified the Company's borrowings as NPA, one of the lender has declared the company as wilful defaulter also, some of the lenders have even called back the loans and one of the secured lenders have applied before NCLT under Insolvency and Bankruptcy Code, 2016 which has been dismissed and disposed off by the Court, however, the said lender has filed an appeal before NCLAT. These conditions, along with other matters as set forth in above note indicate the existence of material uncertainty that may cast significant doubt about Company's ability to continue as a going concern. The appropriateness of assumption of Going Concern is critically dependent upon the Company's ability to raise finance and generate cash flows in future to meet its obligation. Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw your attention to:-

- (i) Note 15.2 to the standalone financial statements, amount collected by one lender for reimbursement of expenses for which confirmation have not been received. The management does not expect any significant impact on account of it.
- (ii) Note 20.8 to the standalone financial statements, regarding the balance confirmation from all the banks/financial institutions. One of the banks did not respond and hence no confirmation was received for the borrowings from the bank. The management does not expect any significant impact on account of it.
- (iii) Note 33.2 to the standalone financial statements, regarding managerial remuneration of ₹ 0.06 Crore paid to one whole time director appointed from 12th February, 2021 is subject to approvals of shareholders.
- (iv) Note 37.2 to the Standalone Financial Statements, regarding invocation of corporate guarantee given by the company to the lender of JBF Petrochemicals Ltd. ("JPL"). The company has denied above invocation and is of the view that above invocation is not tenable for the reasons explained therein and hence no provision against the claims under the invoked corporate guarantee is considered necessary.
- (v) Note 50 to the Standalone Financial Statements, regarding non-preparation of consolidated financial statement due to the reasons mentioned therein. The company has six subsidiaries and is required to present consolidated financial Statements. However, the Company has not prepared and presented the consolidated financial statements/Statements required by Companies Act, 2013 and Ind AS 110 "Consolidated Financial Statements".
- (vi) Note 54 to the standalone financial statements, regarding the vacancy of the post of the Chief Executive Officer and Chief Financial Officer since 1st May, 2019 and 2nd March, 2020 respectively due to the reason as mention therein.
- (vii) Note 52 to the standalone financial statements, as regards to the management evaluation of COVID-19 impact on the future performance of the Company. However, in future the impact may be different from those estimated as on the date of approval of these financial Statements.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion, Material Uncertainty Related to Going Concern & Emphasis of matters section, we have determined the matters described below to be key audit matters to be communicated in our report.

| Key Audit Matters | How our audit addressed the key audit matter |
|---|---|
| (i) Carrying value of trade receivables | |
| <p>As mentioned in Note 11 to the Standalone Financial Statements, total trade receivables were aggregating to ₹ 868.55 Crore as on 31st March 2021, out of above ₹ 557.76 Crore were provided.</p> <p>The collectability of the Company's trade receivables and the valuation of allowance for impairment of trade receivables requires a significant management judgment. Management considers Specific factors including the age of the balance, location of customers, existence of disputes, recent historical payment patterns and any other available information concerning the creditworthiness of counterparties. Management uses this information to determine whether a provision for impairment is required either for a specific transaction or for a customer's balance overall.</p> <p>Accordingly, it has been determined as a key audit matter.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> We selected a sample of the larger trade receivable balances where a provision for impairment of trade receivables was recognized and understood the rationale behind management's judgment. Assessing the ageing of trade receivables, the customer's historical payment patterns and whether any post year-end payments had been received up to the date of completing our audit procedures. Reviewing the available evidence including correspondences, if any, legal notices related to disputes, where applicable. Assessing the Company's provisioning policy and evaluating with reference to applicable accounting standards. Considered the completeness and accuracy of the disclosures. |
| (ii) Impairment of Property, Plant & Equipment | |
| <p>As at 31st March 2021 value of property, plant and equipment is ₹ 1176.84 Crore. Management's assessment of the valuation of property, plant and equipment was significant to our audit because this process is complex and requires significant management judgment. Furthermore, there is an increased risk of impairment due to the recently deteriorated market outlook and losses incurred by the Company.</p> <p>Determining the recoverable amounts of the assets requires a number of significant judgments and estimates, especially in the assumptions used in the valuation report.</p> <p>Accordingly, it has been determined as a key audit matter.</p> | <p>We carried out procedures to understand management's process for identifying impairment triggers and considered management's assessment of impairment in the above mentioned areas. Our audit procedures included the following:</p> <ul style="list-style-type: none"> Evaluating the appropriateness of the Company's judgment regarding identification of assets which may be impaired. Assessing the appropriateness of the methodology used by the external valuer in determining the recoverable amount including key assumptions used. Checking, on a sample basis, the accuracy and relevance of the input data provided by management to the external valuer. Considered the completeness and accuracy of the disclosures, which are included in note 5 of the standalone financial statements. |

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the management discussion & analysis and director's report included in the annual report but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other Irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 As required by Section 143(3) of the Act, we report that:
 - (a) Except for the effects of matters described in the Basis for Qualified Opinion paragraph above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary or the purposes of our audit.
 - (b) Except for the effects of matters described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the statement of change in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) Except for the effects of matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015, as amended.
 - (e) The matters described in paragraph "Basis for Qualified Opinion" and "Material Uncertainty Related to Going Concern" may have an adverse effect on the functioning of the Company.

- (f) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid or provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act except remuneration paid to one of the whole time director amounting to ₹ 0.06 Crore, which is subject to the shareholder's approval.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations as at 31st March 2021 on its financial position in its Standalone Financial Statements as referred in Note 37 to the Standalone Financial Statements.
 - (ii) Except for the effects of matters described in the Basis for Qualified Opinion paragraph above, the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2021.

For S.C. Ajmera & Co.
Chartered Accountants
FRN 002908C

(Arun Sarupria – Partner)
Membership No. 078398
UDIN:21078398AAAABR1314

Place: Udaipur
Date: 09.07.2021

ANNEXURE - "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 (g) Under 'Report on Other Legal and Regulatory Requirements' of our report of even date on the standalone financial statements of JBF Industries Limited for the year ended 31st March 2021)

Report on the Internal Financial Controls Over Financial Reporting under clause(i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **JBF Industries Limited** ("the Company") as of 31st March, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by The Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations

of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial control over financial reporting as on 31st March 2021: -

The Company did not have an appropriate internal control system for customer settlement through credit note, credit evaluation, pricing authorization, establishing customer credit limits and some of the export transactions without any advances/letter of credits, which may result in the Company recognizing revenue without establishing reasonable certainty of ultimate collection.

The Company has exposures of ₹1469.63 Crore as at 31st March 2021 in its subsidiaries by way of investment in equity shares, loans including interest thereon and other receivables. The Company does not have any adequate MIS system from them and consolidated financial statements of that subsidiary is also not available and in the absence thereof, the Company could not carry out impairment testing as referred in paragraph (iii) of basis for qualified opinion in the report on the audit of the standalone financial statements.

The Company also does not have Chief Executive Officer and Chief Financial Officer since 1st May, 2019 and 2nd March, 2020 respectively as referred in paragraph (vi) of Emphasis of Matters in the report on the audit of the standalone financial statements.

A material weakness is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects/possible effects of above material weakness described above on the achievement of the objectives of the control criteria, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of standalone financial statements of the Company for the year ended 31st March 2021, and these material weaknesses do not affect our opinion on the standalone financial statements of the Company.

For S.C. Ajmera & Co.

Chartered Accountants

FRN 002908C

Place: Udaipur

Date: 09.07.2021

(Arun Sarupria – Partner)

Membership No. 078398

UDIN:21078398AAAABR1314

ANNEXURE - "B" TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the standalone financial statements to the members of JBF Industries Limited for the year ended 31st March, 2021)

i. In respect of its fixed assets:

- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- As explained to us, 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.

- According to the information and explanations given to us and based on the examination of the registered sale deeds and other relevant records evidencing title provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except the following:-

(₹ In Crore)

| Particulars of land and building | Cost of property as at 31st March 2021 | Net Block as at 31st March, 2021 |
|--|--|----------------------------------|
| Building in Mumbai (No. of property 1) | 0.09 | 0.06 |
| Land at Silvassa (No. of properties 7) | 0.54 | 0.54 |

In respect of 9 immovable properties having the aggregate cost of 39.62 crore, the original documents have been deposited with the lenders, we have been produced photocopy of documents for those immovable properties and based on such documents, the title deeds are held in the name of the company.

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company.

ii. As explained to us, inventories have been physically verified during the year by the management except material in transit and in our opinion the frequency of verification is reasonable. Discrepancies noticed on physical verification of the inventories between the physical inventories and book records were not material, having regard to the size of the operations of the Company and the same have been properly dealt with.

iii. In respect of loans, secured or unsecured, granted by the Company to Companies, Firms, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. According to the information and explanation given to us:

a) The Company has granted unsecured loans to two such Companies and in our opinion, the rate of interest as applicable and other terms and conditions on which the loans had been granted were not, prima facie, prejudicial to the interest of the Company.

b) The schedule of repayment of principal and payment of interest were stipulated at the time of granting of loan. The Company discontinued to recognize the interest on loan to one of the subsidiary companies w. e. f. 1st April 2018. The repayments of principal amounts and payment of interest were overdue as on the balance sheet date.

c) Principal amount of ₹ 727.64 crore and interest thereon of ₹ 110.68 crore are overdue from one of the subsidiary companies for more than 90 days. As per the information and explanation given to us, steps have been taken by the Company to recover of principal and interest (refer note 45 to the standalone financial statements).

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 & 186 of the Act as applicable, in respect of grant of loans except discontinuance of interest recognition on the loans granted to one of the subsidiary companies. During the year Company has not made any investments, not provided any security or given any guarantee.

v. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to Companies (Cost Records & Audit) Rules 2014 prescribed by Central Government under section 148 (1) (d) of the Act as applicable 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.

vii. According to the information and explanations given to us in respect of statutory dues:

a) The Company has been generally regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and services tax, duty of customs, cess and any other statutory dues with the appropriate authorities as applicable during the year except some cases of custom duty & goods and services tax. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2021 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, the disputed statutory dues aggregating to ₹ 1.76 crore that have not been deposited on account of matters pending before appropriate authorities are as under:

| Name of the statute | Nature of the dues | ₹ in Crore | Period to which the amount relates | Forum where dispute is pending |
|--------------------------|--------------------|-------------|------------------------------------|--|
| Central Excise Act, 1944 | Excise Duty | 0.64 | 2005-06 | Supreme Court |
| | | 1.12 | 2005-06 | Custom Excise & Service Tax Appellate Tribunal |
| Total | | 1.76 | | |

viii. Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that the Company has defaulted in repayment of dues to banks and financial institutions aggregating to ₹ 3,575.29 crore. Lender wise details of such default are as under:-

(₹ In Crore)

| S. No. | Bank/Financial Institution | Total Default | Below 90 days | Above 90 days |
|--------|--------------------------------------|-----------------|---------------|-----------------|
| 1 | ACRE-100-Trust (ECL Finance Limited) | 228.52 | 50.33 | 178.19 |
| 2 | Andhra Bank | 183.16 | 4.96 | 178.2 |
| 3 | Axis Bank Ltd. | 85.73 | 1.86 | 83.87 |
| 4 | Bank of Baroda | 573.29 | 10.36 | 562.93 |
| 5 | Bank of India | 493.87 | 10.89 | 482.98 |
| 6 | Canara Bank | 293.18 | 4.92 | 288.26 |
| 7 | ICICI Bank | 170.59 | 0.82 | 169.77 |
| 8 | IDBI Bank | 273.94 | 7.01 | 266.93 |
| 9 | IFCI Limited | 76.94 | 1.19 | 75.75 |
| 10 | Indian Overseas Bank | 116.09 | 5.2 | 110.89 |
| 11 | Lakshmi Vilas Bank | 100.14 | 2.26 | 97.88 |
| 12 | South Indian Bank | 43.8 | 1.49 | 42.31 |
| 13 | Standard Chartered Bank | 146.85 | - | 146.85 |
| 14 | State Bank of India | 520.64 | 10.06 | 510.58 |
| 15 | Syndicate Bank | 76.63 | 2.6 | 74.03 |
| 16 | Tamilnad Mercantile Bank | 30.55 | 0.98 | 29.57 |
| 17 | Union Bank of India | 161.37 | 3.03 | 158.34 |
| | Total | 3,575.29 | 117.96 | 3,457.33 |

Further, lenders of the Company have classified all the credit facilities given to the Company as at 31st March 2021 as Non Performing Asset (NPA) in their books of account.

ix. According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and no term loan was raised and therefore the provisions of clause(ix) of paragraph 3 of the Order are not applicable to the Company.

x. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and on the basis of information and explanations given by the management, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us and based on our examination of the records, the Company has paid/ provided managerial remuneration (net of recovery) in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act except remuneration paid to one of the whole time director amounting to ₹ 0.06 Crore, which is subject to the shareholder's approval.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Therefore, the provisions of clause (xii) paragraph 3 of the Order are not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, Company's transactions with the related parties are in compliance with sections 177 and 188 of the Act as applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made preferential allotment of shares during the year under audit.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, the provisions of clause (xv) paragraph 3 of the Order are not applicable to the Company.

xvi. In our opinion and according to information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For S.C. Ajmera & Co.
Chartered Accountants
FRN 002908C

Arun Sarupria – Partner
Membership No. 078398
UDIN 21078398AAAABR1314

Place : Udaipur
Date : 09.07.2021

BALANCE SHEET AS AT 31ST MARCH, 2021

(₹ in Crore)

| Particulars | Note No. | As at 31st March, 2021 | As at 31st March, 2020 |
|---|----------|------------------------|------------------------|
| I. ASSETS | | | |
| 1 Non-current Assets | | | |
| (a) Property, Plant and Equipment | 5 | 1,176.84 | 1,261.07 |
| (b) Capital Work-in-Progress | 5 | 28.77 | 25.92 |
| (c) Investment Properties | 6 | 0.23 | 0.23 |
| (d) Other Intangible Assets | 5 | 2.20 | 4.15 |
| (e) Financial Assets | | | |
| (i) Investments | 7 | 423.88 | 423.73 |
| (ii) Others | 8 | 154.14 | 131.68 |
| (f) Other Non-current Assets | 9 | 72.16 | 70.55 |
| | | 1,858.22 | 1,917.33 |
| 2 Current Assets | | | |
| (a) Inventories | 10 | 336.05 | 306.31 |
| (b) Financial Assets | | | |
| (i) Trade Receivable | 11 | 310.79 | 281.96 |
| (ii) Cash and Cash equivalents | 12 | 19.69 | 10.86 |
| (iii) Bank Balance other than (ii) above | 13 | 7.74 | 7.55 |
| (iv) Loans | 14 | 791.84 | 838.43 |
| (v) Others | 15 | 121.80 | 139.13 |
| (c) Current Tax Assets (Net) | 16 | - | 30.59 |
| (d) Other Current Assets | 17 | 124.61 | 97.77 |
| | | 1,712.52 | 1,712.60 |
| TOTAL ASSETS | | 3,570.74 | 3,629.93 |
| II. EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| (a) Equity Share Capital | 18 | 81.87 | 81.87 |
| (b) Other Equity | 19 | 110.69 | 304.34 |
| | | 192.56 | 386.21 |
| LIABILITIES | | | |
| 1 Non-current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 20 | - | - |
| (ii) Other Financial Liabilities | 21 | 10.36 | 10.65 |
| (b) Provisions | 22 | 13.35 | 11.51 |
| (c) Deferred Tax Liabilities (Net) | 23 | - | - |
| | | 23.71 | 22.16 |
| 2 Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 24 | 1,800.64 | 1,820.21 |
| (ii) Trade Payable | 25 | - | - |
| A) Total outstanding dues of Micro and Small Enterprises | | 19.53 | 19.91 |
| B) Total outstanding dues of Creditors other than Micro and Small Enterprises | | 109.50 | 124.18 |
| | | 129.03 | 144.09 |
| (iii) Other Financial Liabilities | 26 | 1,398.18 | 1,234.16 |
| (b) Other Current Liabilities | 27 | 15.06 | 14.97 |
| (c) Provisions | 28 | 8.16 | 8.13 |
| (d) Current Tax Liabilities (Net) | 29 | 3.40 | - |
| | | 3,354.47 | 3,221.56 |
| TOTAL EQUITY AND LIABILITIES | | 3,570.74 | 3,629.93 |

Significant accounting policies and notes to Standalone financial statements 1 to 57

As per our report of even date

For S.C. Ajmera & Co.Chartered Accountants
(Firm Registration no. 002908C)**ARUN SARUPRIA**Partner
Membership no. 078398Place : Udaipur
Date : 9th July, 2021**For & on behalf of the Board of Directors****SEETHARAM N. SHETTY**Director
DIN-07962778**YASH S GUPTA**Additional Director
DIN- 06843474Place : Mumbai
Date : 31st May, 2021**UJJWALA APTE**Director & Company Secretary
DIN-00403378
Membership No A3330

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Crore)

| Particulars | Note No. | For the Year Ended 31st March, 2021 | For the Year Ended 31st March, 2020 |
|---|----------|-------------------------------------|-------------------------------------|
| I. Revenue from Operations | 30 | 2,205.45 | 2,812.90 |
| II. Other Income | 31 | 10.73 | 26.61 |
| III. Total Income (III) | | 2,216.18 | 2,839.51 |
| IV. Expenses: | | | |
| Cost of Material Consumed | | 1,673.52 | 2,256.35 |
| Purchases of Stock-in-Trade | | 1.14 | 3.13 |
| Changes in Inventories of Finished Goods and Work-in-Progress | 32 | (40.97) | 1.57 |
| Employee Benefits Expense | 33 | 83.20 | 88.36 |
| Finance Costs | 34 | 243.02 | 247.10 |
| Depreciation, Amortisation and Impairment Expense | 35 | 87.78 | 94.48 |
| Other Expenses | 36 | 355.66 | 413.36 |
| Total Expenses (IV) | | 2,403.35 | 3,104.35 |
| V. Loss Before Exceptional Item & Tax (III - IV) | | (187.17) | (264.84) |
| VI Exceptional Item | 47 | 2.67 | 67.41 |
| VII. Loss after Exceptional Item & Before Tax (V - VI) | | (189.84) | (332.25) |
| VIII. Tax Expense: | | | |
| (1) Current Tax | 23 | – | – |
| (2) Deferred Tax Credit | | 0.06 | (0.16) |
| (3) Short/(Excess) Provision of Tax of Earlier Years (Net) | | 3.63 | – |
| IX. Loss After Tax (VII-VIII) | | (193.53) | (332.09) |
| X. Other Comprehensive Income | | | |
| (i) Items that will not be reclassified to profit or loss: | | | |
| Re-measurement gains / (losses) on defined benefit plans | | (0.18) | (1.81) |
| Income tax effect on above | | 0.06 | 0.63 |
| (ii) Items that will be reclassified to profit or loss: | | – | – |
| Total Other Comprehensive Income | | (0.12) | (1.18) |
| XI. Total Comprehensive Income for the year/period (IX + X) | | (193.65) | (333.27) |
| XII. Earnings per Equity Share of ₹ 10 each (Basic and Diluted) (in ₹) | 36.3 | (23.64) | (40.56) |
| Face Value per Share (in ₹) | | 10.00 | 10.00 |

Significant accounting policies and notes to Standalone financial statements 1 to 57

As per our report of even date
For S.C. Ajmera & Co.
Chartered Accountants
(Firm Registration no. 002908C)

For & on behalf of the Board of Directors

SEETHARAM N. SHETTY
Director
DIN-07962778

UJJWALA APTE
Director & Company Secretary
DIN-00403378
Membership No A3330

YASH S GUPTA
Additional Director
DIN- 06843474

Place : Udaipur
Date : 9th July, 2021

Place : Mumbai
Date : 31st May, 2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

A. Equity Share Capital

(₹ in Crore)

| Particulars | As at 1st April, 2019 | Changes During 2019-20 | As at 31st March, 2020 | Changes During 2020-21 | As at 31st March, 21 |
|----------------------|-----------------------|------------------------|------------------------|------------------------|----------------------|
| Equity Share Capital | 81.87 | -- | 81.87 | -- | 81.87 |

B. Other Equity

(₹ in Crore)

| Particulars | Reserves and Surplus | | | | | Foreign Currency Monetary Item Translation Differences Account | Items of Other Comprehensive Income- Remeasurements of defined benefit plans | Total Other Equity |
|---|----------------------|----------------------------|----------------------------|-----------------|-------------------|--|--|--------------------|
| | Capital Reserve | Capital Redemption Reserve | Securities Premium Reserve | General Reserve | Retained Earnings | | | |
| Balance as at 1st April, 2019 | 10.62 | 7.50 | 808.72 | 77.94 | (268.99) | (11.24) | (2.73) | 621.82 |
| Prior Adjustments (Refer Note 55) | -- | -- | -- | -- | 5.34 | -- | -- | 5.34 |
| Balance as at 1st April, 2019 (Restated) | 10.62 | 7.50 | 808.72 | 77.94 | (263.65) | (11.24) | (2.73) | 627.16 |
| Total Comprehensive Income for the year | -- | -- | -- | -- | (332.09) | -- | (1.18) | (333.27) |
| Share Issue Expenses (Net of Deferred Tax) | -- | -- | (0.79) | -- | -- | -- | -- | (0.79) |
| Changes in Foreign Currency Monetary Item Translation Differences Account | -- | -- | -- | -- | -- | 11.24 | -- | 11.24 |
| Balance as at 31st March, 2020 | 10.62 | 7.50 | 807.93 | 77.94 | (595.74) | -- | (3.91) | 304.34 |
| Total Comprehensive Income for the year | -- | -- | -- | -- | (193.53) | -- | (0.12) | (193.65) |
| Share Issue Expenses (Net of Deferred Tax) | -- | -- | -- | -- | -- | -- | -- | -- |
| Changes in Foreign Currency Monetary Item Translation Differences Account | -- | -- | -- | -- | -- | -- | -- | -- |
| Balance as at 31st March, 2021 | 10.62 | 7.50 | 807.93 | 77.94 | (789.27) | -- | (4.03) | 110.69 |

As per our report of even date

For S.C. Ajmera & Co.Chartered Accountants
(Firm Registration no. 002908C)**ARUN SARUPRIA**Partner
Membership no. 078398Place : Udaipur
Date : 9th July, 2021**For & on behalf of the Board of Directors****SEETHARAM N. SHETTY**Director
DIN-07962778**YASH S GUPTA**Additional Director
DIN- 06843474Place : Mumbai
Date : 31st May, 2021**UJJWALA APTE**Director & Company Secretary
DIN-00403378
Membership No A3330

NOTE TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note 1 CORPORATE INFORMATION:

JBF Industries Limited ("the Company") is a limited Company domiciled and incorporated in India and its shares are publicly traded on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE), in India. The registered office of the Company is situated at Survey No. 273, Village Athola, Silvassa, Dadra and Nagar Haveli and Daman and Diu - 396230, India.

The Company is engaged in the manufacturing business of Polyester Chips, Polyester Yarn and Processed Yarn.

The financial statements for the year ended 31st March, 2021 were approved and adopted by board of directors in their meeting held on 31st May, 2021.

Note 2 BASIS OF PREPARATION AND PRESENTATION:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS), as notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities, which are measured at fair value/ amortised cost.

The financial statements are presented in Indian Rupees (₹), which is the Company's functional and presentation currency and all values are rounded to the nearest crore with two decimal, except when otherwise indicated.

Note 3 SIGNIFICANT ACCOUNTING POLICIES:

3.1 Property, Plant and Equipment:

Property, Plant and Equipment are carried at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation, amortisation and impairment losses, if any. Cost includes purchase price, borrowing cost and any cost directly attributable to the bringing the assets to its working condition for its intended use. In case of Property, Plant and Equipment, the Company has availed the carrying value as deemed cost on the date of transition i.e. 1st April, 2015.

Depreciation on the Property, Plant and Equipment is provided using straight line method over the useful life of assets as specified in schedule II to the Companies Act, 2013. Depreciation on Property, Plant and Equipment which are added / disposed off during the year, is provided on pro-rata basis with reference to the date of addition / deletion. Freehold land is not depreciated.

The assets' residual values, useful lives and method of depreciation are reviewed at each financial year end and are adjusted prospectively, if appropriate. The effects of any revision are included in the statement of profit and loss when the changes arises.

Capital work-in-progress includes cost of Property, Plant and Equipment under installation as at the balance sheet date.

Property, Plant and Equipment are eliminated from financial statement, either on disposal or when retired from active use. Profits / losses arising in the case of retirement / disposal of Property, Plant and Equipment are recognised in the statement of profit and loss in the year of occurrence.

Leasehold lands are amortised over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building. In other cases, buildings constructed on leasehold lands are amortised over the primary lease period of the lands.

3.2 Investment Properties:

Investment properties are measured initially at cost, including transaction costs and net of recoverable taxes, trade discounts and rebates. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any. In case of Investment properties, the company has availed the carrying value as deemed cost on the date of transition i.e. 1st April, 2015.

Depreciation on investment properties is provided using straight line method over the estimated useful lives as specified in Schedule II to the Companies Act, 2013. Residual values, useful lives and method of depreciation of investment properties are reviewed at each financial year end and are adjusted prospectively, if appropriate. The effects of any revision are included in the statement of profit and loss when the changes arises.

Though the Company measures investment properties using cost based measurement, the fair value of investment property is disclosed in the notes.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

3.3 Intangible Assets :

Intangible assets are carried at cost, net of recoverable taxes, trade discount and rebates less accumulated amortisation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible assets. In case of Intangible Assets, the Company has availed the carrying value as deemed cost on the date of transition i.e. 1st April, 2015.

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

Computer softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of useful lives or period of three years, whichever is less. The useful lives and method of amortisation are reviewed at each financial year end and are adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

3.4 Leases:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an options to extend the lease if the Company is reasonably certain to exercise that options; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that options. In assessing whether the company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

3.5 Inventories:

In general, all inventories are measured at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. 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 are valued on FIFO basis and Stores & Spares, Packing materials and Consumables are determined on weighted average basis. Waste, by products and trial run products are valued at net realisable value. Finished products are valued at raw material cost (determined on weighted average Basis) plus costs of conversion, comprising labour costs and an attributable proportion of manufacturing overheads based on normal levels of activity.

3.6 Cash and Cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.7 Impairment of Non-Financial Assets - Property, Plant and Equipment and Intangible Assets:

The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the statement of profit and loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

3.8 Discontinued operation and non-current assets (or disposal groups) held for sale:

Discontinued operation:

A discontinued operation is a component of the Company that has been disposed off or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose off such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

Non-current assets (or disposal groups) held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when a sale is highly probable from the date of classification, management are committed to the sale and the asset is available for immediate sale in its present condition. Non-current assets are classified as held for sale from the date these conditions are met and are measured at the lower of carrying amount and fair value less cost to sell. Any resulting impairment loss is recognised in the Statements of Profit and Loss as a separate line item. On classification as held for sale, the assets are no longer depreciated. Assets and liabilities classified as held for sale are presented separately as current items in the Balance Sheet.

3.9 Financial Instruments – Initial Recognition, Subsequent Measurement and Impairment:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

I) Financial Assets - Initial Recognition and Measurement:

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Financial Assets - Subsequent Measurement:

For the purpose of subsequent measurement, financial assets are classified in two broad categories:-

- a) Financial assets at fair value
- b) Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

a) Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flow.

b) Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

a) Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.

b) Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

All other financial asset is measured at fair value through profit or loss.

Financial Assets - Equity Investment in Subsidiary:

The Company has accounted for its equity investment in subsidiary at cost.

Financial Assets - Derecognition

A financial assets (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- a) The rights to receive cash flows from the asset have expired, or
- b) The Company has transferred its rights to receive cash flow from the asset.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- a) The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables, Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

II) Financial Liabilities - Initial Recognition and Measurement:

The financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial Liabilities - Subsequent Measurement:

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Financial Liabilities - Financial Guarantee Contracts:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortisation.

Financial Liabilities - Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

III) Derivative Financial Instruments

The Company uses various derivative financial instruments such as interest rate swaps, currency swaps, forwards and options to mitigate the risk of changes in interest rates and exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss.

3.10 Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

3.11 Dividend Distribution:

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Dividend payable and corresponding tax on dividend distribution is recognised directly in other equity.

3.12 Revenue Recognition and Other income:

Revenue Recognition

Sale of Goods and Services:

The Company derives revenues primarily from sale of Polyester Chips, Polyester Yarn and Processed Yarn.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. Generally, control is transfer upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised over the time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract Balances:

Trade Receivables:

A receivable represents the Company's right to an amount of consideration that is unconditional.

Contract Liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

Other Income:

Incentives on exports and other Government incentives related to operations are recognised in the statement of profit and loss after due consideration of certainty of utilization/receipt of such incentives.

Interest Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend Income:

Dividend Income is recognised when the right to receive the payment is established.

Rental Income:

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included as other income in the statement of profit or loss.

3.13 Foreign Currency Reinstatement and Translation:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets. Additionally, exchange gains or losses on foreign currency borrowings taken prior to 1st April, 2016 which are related to the acquisition or construction of qualifying assets are adjusted in the carrying cost of such assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other finance gains / losses are presented in the statement of profit and loss on a net basis.

In case of an asset, expense or income where a non-monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognized. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

3.14 Employee Benefits:

Short term employee benefits are recognised as an expense in the statement of profit and loss of the year in which the related services are rendered.

Leave encashments accounted as Short-term employee benefits and is determined based on projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date.

Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

The cost of providing gratuity, a defined benefit plans, is determined using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in the statement of profit and loss.

Remeasurements of defined benefit plan in respect of post employment and other long term benefits are charged to the other comprehensive income in the year in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

3.15 Taxes on Income:

Income tax expense represents the sum of current tax (including MAT and income tax for earlier years) and deferred tax. Tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income.

Current tax provision is computed for income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Minimum Alternative Tax (MAT) is applicable to the Company. Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

3.16 Borrowing Cost

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalised (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalised during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

3.17 Earnings Per Share:

Basic earnings per share is computed using the net profit or Loss for the year attributable to the shareholders and weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit or Loss for the year attributable to the shareholder and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

3.18 Current and Non-current Classification:

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
 - b) Held primarily for the purpose of trading & manufacturing.
 - c) Expected to be realised within twelve months after the reporting period, or
 - d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

A liability is classified as current when it is:

- a) Expected to be settled in normal operating cycle,
 - b) Held primarily for the purpose of trading, & manufacturing.
 - c) Due to be settled within twelve months after the reporting period, or
 - d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its normal operating cycle.

3.19 Fair Value Measurement:

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy.

3.20 Off-setting Financial Instrument:

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable rights to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable rights must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or counterparty.

Note 4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based on its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

4.1 Property, Plant and Equipment, Investment Properties and Intangible Assets:

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per Schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

4.2 Income Tax:

The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the standalone financial statements.

4.3 Contingencies:

Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

4.4 Impairment of Financial Assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

4.5 Impairment of Non-Financial Assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent to those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

4.6 Defined Benefits Plans:

The Cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

4.7 Recoverability of Trade Receivable:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

4.8 Provisions:

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

4.9 Fair Value Measurement of Financial Instruments :

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4.10 Classification of Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an options to extend the lease if the Company is reasonably certain to exercise that options; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that options. In assessing whether the company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

4.11 Global Health Pandemic on Covid-19

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company's operations and revenue during the period were impacted due to COVID-19. The Company has taken into account the possible impact of COVID-19 in preparation of the financial statements, including its assessment of recoverable value of its assets based on internal and external information upto the date of approval of these financial statements and current indicators of future economic conditions.

Note 5. Property, Plant and Equipment, Intangible Assets and Capital Work-in-Progress

(₹ In Crore)

| Particulars | Own Assets | | | | | | | Right to use Assets | | | |
|---|---------------------------|---------------------|------------------------|-------------|-------------|------------------|-------------|---------------------|--------------|-------------------|--------------|
| | Land - Buildings Freehold | Plant and Equipment | Furniture and Fixtures | Vehicles | Computer | Office Equipment | Total (A) | Land (B) | Total (A+B) | Intangible Assets | |
| COST | | | | | | | | | | | |
| As at 1st April, 2019 | 36.22 | 274.31 | 1,409.53 | 2.51 | 0.30 | 2.90 | 0.82 | 1,726.59 | 1.00 | 1,727.59 | 9.07 |
| Additions | -- | 0.04 | 1.20 | 0.01 | -- | 0.04 | 0.05 | 1.34 | 11.76 | 13.10 | 0.25 |
| Disposals / Transfers | -- | -- | 0.26 | 0.00 | -- | 0.00 | 0.03 | 0.29 | -- | 0.29 | -- |
| | | | | (₹ 44462/-) | | (₹ 614/-) | | | | | |
| As at 31st March, 2020 | 36.22 | 274.35 | 1,410.47 | 2.52 | 0.30 | 2.94 | 0.84 | 1,727.64 | 12.76 | 1,740.40 | 9.32 |
| Additions | -- | -- | 1.43 | 0.01 | -- | 0.15 | 0.06 | 1.65 | -- | 1.65 | 0.09 |
| Disposals / Transfers | -- | -- | 0.25 | 0.00 | -- | 0.00 | 0.03 | 0.28 | -- | 0.28 | -- |
| | | | | (₹ 679/-) | | (₹ 700/-) | | | | | |
| As at 31st March, 2021 | 36.22 | 274.35 | 1,411.65 | 2.53 | 0.30 | 3.09 | 0.87 | 1,729.01 | 12.76 | 1,741.77 | 9.41 |
| DEPRECIATION , AMORTISATION AND IMPAIRMENT | | | | | | | | | | | |
| As at 1st April, 2019 | -- | 41.08 | 342.41 | 1.63 | 0.04 | 1.50 | 0.47 | 387.13 | 0.05 | 387.18 | 2.96 |
| Depreciation/Amortisation for the Year | -- | 10.53 | 80.10 | 0.19 | 0.04 | 0.39 | 0.11 | 91.36 | 0.91 | 92.27 | 2.21 |
| Disposals | -- | -- | 0.10 | 0.00 | -- | -- | 0.02 | 0.12 | -- | 0.12 | -- |
| | | | | (₹41,788) | | | | | | | |
| As at 31st March, 2020 | -- | 51.61 | 422.41 | 1.82 | 0.08 | 1.89 | 0.56 | 478.37 | 0.96 | 479.33 | 5.17 |
| Depreciation/Amortisation for the Period | -- | 10.49 | 73.81 | 0.12 | 0.04 | 0.28 | 0.09 | 84.83 | 0.91 | 85.74 | 2.04 |
| Disposals | -- | -- | 0.11 | -- | -- | -- | 0.03 | 0.14 | -- | 0.14 | -- |
| As at 31st March, 2021 | -- | 62.10 | 496.11 | 1.94 | 0.12 | 2.17 | 0.62 | 563.06 | 1.87 | 564.93 | 7.21 |
| NET BOOK VALUE | | | | | | | | | | | |
| As at 31st March, 2020 | 36.22 | 222.74 | 988.06 | 0.70 | 0.22 | 1.05 | 0.28 | 1,249.27 | 11.80 | 1,261.07 | 4.15 |
| As at 31st March, 2021 | 36.22 | 212.25 | 915.54 | 0.59 | 0.18 | 0.92 | 0.25 | 1,165.95 | 10.89 | 1,176.84 | 2.20 |
| CAPITAL WORK-IN-PROGRESS | | | | | | | | | | | |
| As at 31st March, 2020 | | | | | | | | | | | 25.92 |
| As at 31st March, 2021 | | | | | | | | | | | 28.77 |

- 5.1 Buildings include cost of shares in Co-operative Societies ₹8,000/- (as at 31st March, 2020 ₹8,000/-).
- 5.2 Property, Plant and Equipment are pledged as collateral against borrowings, the details related to which have been described in Note 20 and 24.
- 5.3 In accordance with the Indian Accounting Standard (Ind AS -36) on " Impairment of Assets", the management during the year carried out an exercise of identifying the assets that may have been impaired in accordance with the said Ind AS. On the basis of review carried out by the management, the management has estimated provision of Rs Nil (for the year ended 31st March 2020 ₹ Nil) impairment loss on property, plant and equipment.
- 5.4 Other intangible assets represents Computer software other than self generated.

Note 6. Investment Properties

(₹ In Crore)

| Particulars | Investment Properties |
|-------------------------------|-----------------------|
| COST: | |
| As at 1st April, 2019 | 0.23 |
| Additions | -- |
| Disposals / Transfers | -- |
| As at 31st March, 2020 | 0.23 |
| Additions | -- |
| Disposals / Transfers | -- |
| As at 31st March, 2021 | 0.23 |
| DEPRECIATION | |
| As at 1st April, 2019 | -- |
| Depreciation during the year | -- |
| Disposals / Transfers | -- |
| As at 31st March, 2020 | -- |
| Depreciation during the year | -- |
| Disposals / Transfers | -- |
| As at 31st March, 2021 | -- |
| NET BOOK VALUE | |
| As at 31st March, 2020 | 0.23 |
| As at 31st March, 2021 | 0.23 |

6.1 Information regarding income and expenditure of Investment Properties.

Income / expenditure from investment properties is ₹ Nil (For the Year Ended 31st March 2020 is ₹ Nil).

- 6.2 The Company's investment properties as at 31st March, 2021 consists of land held for undetermined future use.
- 6.3 As at 31st March 2021 and 31st March 2020, the fair values of the properties are ₹3.04 Crore and ₹3.27 Crore respectively. These valuations are based on valuations performed by an independent valuer, who is a specialist in valuing these types of investment properties. The fair value of the assets is determined using residual technique of valuation. The fair value measurement is categorised in Level 3 fair value hierarchy. The above method consists of estimating and assessing the prevailing market value of a Residential unit after adjusting various factors.
- 6.4 The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Note 7 - Non-Current Investments

| Particulars | As at 31st March, 2021 | | | As at 31st March, 2020 | | |
|--|-------------------------|---|---------------|-------------------------|---|---------------|
| | No. of Shares/ Units | Face Value (₹) Unless otherwise stated | ₹ in Crore | No. of Shares/ Units | Face Value (₹) Unless otherwise stated | ₹ in Crore |
| In Equity Instruments: | | | | | | |
| Unquoted Fully Paid-Up | | | | | | |
| Subsidiary Company | | | | | | |
| Carried at Cost | | | | | | |
| JBF Global PTE. Ltd. | 720,00,000 | USD 1 | 396.17 | 720,00,000 | USD 1 | 396.17 |
| JBF Global PTE. Ltd. (In ₹ 27) | 1 | ₹1 | 0.00 | 1 | ₹1 | 0.00 |
| Deemed Equity Investment (refer note no.- 7.2) | -- | -- | 27.50 | -- | -- | 27.50 |
| Others | | | | | | |
| Carried at Fair Value Through Profit and Loss | | | | | | |
| Planet 41 Mobi Venture Ltd | 3,60,000 | 10 | -- | 3,60,000 | 10 | -- |
| Sumex Overseas Ltd. | 15,000 | 10 | -- | 15,000 | 10 | -- |
| Quoted Fully Paid-Up | | | | | | |
| Carried at Fair Value Through Profit and Loss | | | | | | |
| Allied Digital Services Ltd. | 48,000 | 5 | 0.21 | 48,000 | 5 | 0.06 |
| Total Equity Instruments | | | 423.88 | | | 423.73 |
| Total Non-current Investments | | | 423.88 | | | 423.73 |

7.1 Aggregate amount of Investments and Market value thereof

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|----------------------|----------------------------|------------------------------|----------------------------|------------------------------|
| | Book Value (₹ in Crore) | Market Value (₹ in Crore) | Book Value (₹ in Crore) | Market Value (₹ in Crore) |
| Quoted Investments | 0.21 | 0.21 | 0.06 | 0.06 |
| Unquoted Investments | 423.67 | – | 423.67 | – |
| | 423.88 | 0.21 | 423.73 | 0.06 |

7.2 Deemed equity investment is on account of fair valuation of fixed deposits pledged for the credit facilities availed by JBF Petrochemical Ltd, a step down subsidiary in earlier years.

7.3 Category-wise Non-Current Investments

(₹ In Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|------------------------|------------------------|
| Financial Assets measured at cost | 423.67 | 423.67 |
| Financial Assets measured at fair value through Profit and Loss | 0.21 | 0.06 |
| | 423.88 | 423.73 |

7.4 Refer Note No.45 for Impairment of Subsidiaries Exposures.

Note 8 - Non-current Financial Assets - Others

(₹ In Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| Unsecured, Considered Good | | |
| Security Deposits | 0.83 | 0.32 |
| Deposit lien with banks | 21.95 | – |
| Guarantee Commission Receivable from related party (refer note 40) | 131.36 | 131.36 |
| Total | 154.14 | 131.68 |

8.1 Refer Note no.45 for Impairment of Subsidiaries Exposures.

8.2 Deposit lien with banks as Margin Money against bank guarantees

Note 9 - Other Non-current Assets

(₹ In Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| Unsecured, Considered Good | | |
| Capital Advances | 0.65 | 0.65 |
| MAT Credit Entitlement | 64.09 | 64.09 |
| Balance with Goods and Service Tax Authorities | 7.05 | 5.49 |
| Prepaid Expenses | 0.37 | 0.32 |
| Unsecured, Considered Doubtful | | |
| Other | 0.08 | 0.08 |
| Less : Provision for Doubtful Advance | 0.08 | – |
| Total | 72.16 | 70.55 |

9.1 The company was liable to pay MAT under section 115JB of the Income Tax Act, 1961 (The Act) in earlier years and the amount paid as MAT was allowed to be carried forward for being set off against the future tax liabilities computed in accordance with the provisions of the Act, other than Section 115JB, in next Fifteen years. Based on the future projection of the performances, the Company will be liable to pay the income tax computed as per provisions, other than under section 115JB, of the Act.

Note 10 - Inventories

(₹ In Crore)

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|--|------------------------|---------------|------------------------|---------------|
| Raw Materials : | | | | |
| Goods-in-Transit | 21.78 | | 39.96 | |
| Others | 23.48 | 45.26 | 16.78 | 56.74 |
| Work in Progress | | 27.13 | | 21.80 |
| Finished Goods : | | | | |
| Goods-in-Transit | 57.06 | | 55.54 | |
| Others | 181.17 | 238.23 | 147.05 | 202.59 |
| Stores, Spares and Consumables: | | | | |
| Goods-in-Transit | 0.33 | | 2.59 | |
| Others | 25.10 | 25.43 | 22.59 | 25.18 |
| Total | | 336.05 | | 306.31 |

10.1 Inventories are pledged / hypothecated as collateral against borrowings, the details related to which have been described in Note 20 and 24.

10.2 For mode of Valuation of Inventories Refer Note No. 3.5

Note 11 - Current Financial Assets - Trade Receivable

(₹ In Crore)

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|--|------------------------|---------------|------------------------|---------------|
| Unsecured : | | | | |
| Considered Good | 310.79 | | 281.96 | |
| Significant Increase in credit risk | -- | | -- | |
| Credit Impaired | 557.76 | | 554.67 | |
| | 868.55 | | 836.63 | |
| Less : Provision for Credit Impaired (including expected credit loss) (refer note 42 and 47) | 557.76 | 310.79 | 554.67 | 281.96 |
| Total | | 310.79 | | 281.96 |

11.1 Debts includes due from related party ₹ 166.63 Crore (as at 31st March 2020 ₹ 154.01 Crore) (Refer note 40)

11.2 The provision for credit impaired includes Rs 3.09 Crore (for the year ended 31st March 2020 ₹ 65.00 Crore) determined as Expected Credit Loss in accordance with Ind AS 109 for the year ended 31st March 2021.

Note 12 - Cash and Cash equivalents

(₹ In Crore)

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|------------------------|--------------|------------------------|--------------|
| Balances with Banks in current accounts | | 19.68 | | 10.80 |
| Cash on Hand | | 0.01 | | 0.06 |
| Total | | 19.69 | | 10.86 |

12.1 For the purpose of the statement of cash flow, cash and cash equivalents comprise the followings:

(₹ In Crore)

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|------------------------|--------------|------------------------|--------------|
| Balances with Banks in current accounts | | 19.68 | | 10.80 |
| Cash on Hand | | 0.01 | | 0.06 |
| Total | | 19.69 | | 10.86 |

Note 13 - Bank balances Other than Cash and Cash Equivalents

(₹ In Crore)

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|------------------------------|------------------------|-------------|------------------------|-------------|
| For Unpaid Dividend Accounts | | 0.28 | | 0.33 |
| Deposit lien with banks | | 7.46 | | 7.22 |
| Total | | 7.74 | | 7.55 |

Note 14 - Current Financial Assets - Loans

(₹ In Crore)

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|--|------------------------|---------------|------------------------|---------------|
| Secured : | | | | |
| Credit Impaired | | | | |
| Inter Corporate Deposits | 55.00 | | 55.00 | |
| Less : Provision for Credit impaired (refer Note 47) | 55.00 | -- | 55.00 | -- |
| Unsecured : | | | | |
| Considered Good | | | | |
| Inter Corporate Deposit to Related Party | | 791.84 | | 838.43 |
| Credit Impaired | | | | |
| Inter Corporate Deposits to Others | 5.00 | | 5.00 | |
| Less : Provision for Credit impaired (refer note 47) | 5.00 | -- | 5.00 | -- |
| Total | | 791.84 | | 838.43 |

14.1 Unsecured inter-corporate Deposits includes ₹ 5.00 Crore (as at 31st March 2020 ₹ 5.00 Crore) backed by personal guarantee of a promoter of a borrower.

14.2 Secured Inter Corporate Deposits (ICD) Includes:-

(i) Loan of ₹ 9.00 Crore given in earlier years to TVC Sky Shop Limited (TVC) against the pledge of 25,00,000 equity shares of ₹ 10 each representing 25.73% of the paid up equity share capital of TVC.

(ii) Loan of ₹ 11.00 Crore given in earlier years to Suryachakra Power Corporation Limited (SPCL) against the pledge of 24,31,434 equity shares of ₹ 10.00 each representing 1.62% of the paid up equity share capital of SPCL.

As TVC and SPCL failed to meet its commitments for repayment, the Company invoked the pledge and got transferred above mentioned equity shares in its own Demat account. As the Company holds these shares in trust as a security till the above loans are repaid.

14.3 Inter corporate deposit (ICD) of ₹ 60.00 Crore (as at 31st March, 2020 ₹ 60.00 Crore) and interest accrued and due thereon of ₹ 36.52 Crore (as at 31st March, 2020 ₹ 36.93 Crore) (as included in the note 15) aggregating to ₹ 96.52 Crore (as at 31st March, 2020 ₹ 96.93 Crore), given to various parties in earlier years, are overdue for substantial period of time and in respect of which the Company has initiated legal proceedings (including winding up petitions against a few of them). In view of the pending litigations and based on principle of prudence, Company has discontinued recognition of interest income on the same w. e. f. 1st January 2015 and provision of ₹ 96.52 Crore (As at 31st March 2020 ₹ 96.93 Crore) had been made in respect of these receivables in earlier years. The Company continues its efforts to recover these receivables.

14.4 In accordance with the regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

a) Loans & Advances given in the nature of loans :

(₹ In Crore)

| Name of the Company | As at 31st March, 2021 | As at 31st March, 2020 |
|---|------------------------|------------------------|
| JBF Petrochemicals Ltd (Step down Subsidiary) | 727.64 | 772.30 |
| JBF Global Pte Ltd. (Subsidiary) | 64.20 | 66.13 |
| Total | 791.84 | 838.43 |

b) Above loan maximum outstanding during the year

(₹ In Crore)

| Name of the Company | Maximum amount outstanding during the year 2020-21 | Maximum amount outstanding during the year 2019-20 |
|------------------------|--|--|
| JBF Petrochemicals Ltd | 772.30 | 772.30 |
| JBF Global PTE Ltd | 66.27 | 66.13 |

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

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

d) Investment in subsidiaries by : JBF Global Pte Ltd.

(₹ In Crore)

| Name of the Company | No of Equity Shares as at 31st March, 2021 | No of Equity Shares as at 31st March, 2020 |
|---|--|--|
| JBF Rak LLC | 329,034 | 329,034 |
| JBF Petrochemicals Ltd (Refer Note No.40.5) | 532,454,424 | 532,454,424 |
| JBF Trade Finvest Pte. Ltd | 100 | 100 |
| Total | 532,783,558 | 532,783,558 |

14.5 The Company has granted Inter Corporate Deposits to related parties for setting up project and for its business purpose.

14.6 The Company has granted Inter Corporate Deposits to others for the purpose of utilising this amount in their business.

14.7 Refer Note No.45 for Impairment of Subsidiaries Exposures.

14.8 Refer Note No.49 for assignment of loan.

Note 15 - Current Financial Assets - Others

(₹ In Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2021 |
|---|------------------------|------------------------|
| Unsecured, Considered Good | | |
| Interest Receivables | 116.74 | 135.11 |
| Security Deposits | 2.66 | 3.44 |
| Others | 2.40 | 0.58 |
| Unsecured, Credit Impaired | | |
| Claims and Discounts Receivables | 191.34 | 191.34 |
| Less : Provision for Doubtful (refer Note 47) | 191.34 | 191.34 |
| Interest Receivables | 36.52 | 36.93 |
| Less : Provision for Doubtful (refer Note 47) | 36.52 | 36.93 |
| Total | 121.80 | 139.13 |

15.1 Interest Receivable includes ₹ 116.47 Crore (as at 31st March, 2020 ₹ 115.94 Crore) due from related parties. (refer Note - 40)

15.2 Others Includes ₹ 2.24 Crore (as at 31st March, 2020 ₹ 0.31 Crore) collected by one lender for reimbursement of expenses which is subject to balance confirmation and balance amount includes for loan to staff, salary and wages recoverable.

15.3 Refer Note 14.3 in respect of Interest Receivable on Inter Corporate Deposits.

15.4 Refer Note No.45 for Impairment of Subsidiaries Exposures.

15.5 Claims & discounts receivables of ₹ 191.34 Crore (as at 31st March, 2020 ₹ 191.34 Crore) from suppliers, are overdue for the extended period of time. Efforts are being made to recover the above receivables. On prudence, provision of ₹ 191.34 Crore (as at 31st March 2020 ₹ 191.34 Crore) had been made in respect of these receivables in earlier year.

Note 16 - Current Tax Assets (Net)

(₹ In Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|------------------------------------|------------------------|------------------------|
| Income Tax-Advance Tax & TDS (Net) | -- | 30.59 |
| Total | -- | 30.59 |

Note 17 - Other Current Assets

(₹ In Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|------------------------|------------------------|
| Unsecured, Considered Good | | |
| Assets held for sale (refer Note 17.2) | 0.33 | 0.33 |
| Balance with Goods and Service Tax Authorities | 53.53 | 41.27 |
| Advances to Suppliers | 35.78 | 32.39 |
| Goods and Service Tax Receivable | 3.92 | 6.87 |
| Claims and Refund Receivable | 19.72 | 3.52 |
| Export Incentives Receivable | 8.32 | 9.59 |
| Others | 3.01 | 3.80 |
| Unsecured, Considered Doubtful | | |
| Export Incentives Receivable | -- | 0.15 |
| Less : Provision for Doubtful Debts (refer Note 47) | -- | 0.15 |
| Advances to Suppliers | 2.26 | 2.26 |
| Less : Provision for Doubtful (refer Note 47) | 2.26 | 2.26 |
| Total | 124.61 | 97.77 |

17.1 Others Includes prepaid expenses and licence in hand.

17.2 Assets held for sale represents plant and machineries discarded in earlier years and not in use and are carried at estimated net realisable value as determined by the management.

17.3 Advances to Suppliers as at 31st March, 2021 includes ₹ 6.90 Crore (as at 31st March, 2020 ₹ 6.90 Crore) given to one of the supplier of the Company as advance against supply of goods in earlier years, which is now settled.

Note 18 - Equity Share Capital

(₹ In Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|------------------------|------------------------|
| Authorised | | |
| 100,000,000 (As at 31st March, 2020: 100,000,000) Equity Shares of ₹ 10/- each | 100.00 | 100.00 |
| 12,500,000 (As at 31st March, 2020: 12,500,000) Cumulative Redeemable Preference Shares of ₹ 100/- each | 125.00 | 125.00 |
| Issued, Subscribed & Fully Paid up | | |
| 81,871,849 (As at 31st March, 2020: 81,871,849) Equity Shares of ₹ 10 each fully paid up | 81.87 | 81.87 |
| | 81.87 | 81.87 |

18.1 Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year :

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|------------------------|--------------|------------------------|--------------|
| | (in Nos.) | (₹ in Crore) | (in Nos.) | (₹ in Crore) |
| Shares outstanding at the beginning of the year | 81,871,849 | 81.87 | 81,871,849 | 81.87 |
| Shares outstanding at the end of the year | 81,871,849 | 81.87 | 81,871,849 | 81.87 |

18.2 Terms / Rights Attached to Equity Shares :

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

18.3 Details of Shareholders holding more than 5% of Equity Share Capital :

| Name of Shareholder | As at 31st March, 2021 | | As at 31st March, 2020 | |
|--------------------------------|------------------------|--------------|------------------------|--------------|
| | No. Of Shares held | % of Holding | No. Of Shares held | % of Holding |
| Bhagirath Arya | 17,145,063 | 20.94 | 17,845,063 | 21.80 |
| KKR Jupiter Investors Pte. Ltd | 16,374,370 | 20.00 | 16,374,370 | 20.00 |

18.4 Dividend paid and proposed:-

(₹ In Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| Dividend declared and paid | | |
| Final dividend declared and paid for the year ended on 31st March, 2020 at ₹ Nil per share and for the year ended 31st March, 2019 at ₹ Nil per share. | -- | -- |
| Dividend Distribution Tax on final dividend | -- | -- |
| Proposed Dividends | | |
| Final dividend proposed for the year ended on 31st March, 2021 at ₹ Nil per share and for the year ended 31st March, 2020 at ₹ Nil per share. | -- | -- |
| Dividend Distribution Tax on proposed dividend | -- | -- |

18.5 Refer Note 51 in respect of ESOP ans ESPS

Note 19 - Other Equity

(₹ In Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| Capital Reserve | | |
| As per Last Balance Sheet | 10.62 | 10.62 |
| Capital Redemption Reserve | | |
| As per Last Balance Sheet | 7.50 | 7.50 |
| Securities Premium Reserve | | |
| As per Last Balance Sheet | 807.93 | 808.72 |
| Less: Share Issue Expenses (Net of Deferred Tax) | -- | 0.79 |
| General Reserve | | |
| As per Last Balance Sheet | 77.94 | 77.94 |
| Retained Earnings | | |
| As per Last Balance Sheet | (595.74) | (268.99) |
| Add: Prior Adjustments (Refer Note 55) | -- | 5.34 |
| | (595.74) | (263.65) |
| Less: Loss for the year | (193.53) | (332.09) |
| Foreign Currency Monetary Item Translation Difference Account | | |
| As per Last Balance Sheet | -- | (11.24) |
| Change in Foreign Currency Monetary Item Translation Difference | -- | 11.24 |
| Items Of Other Comprehensive Income-Remeasurement of Defined Benefit Plan | | |
| As per Last Balance Sheet | (3.91) | (2.73) |
| Add: Comprehensive Income for the year | (0.12) | (1.18) |
| Total Other Equity | 110.69 | 304.34 |

19.1 Nature and Purpose of Reserve

1. Capital Reserve

Capital reserve was created upon on forfeiture of share warrants. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

2. Capital Redemption Reserve:

Capital redemption reserve was created against buy back of shares. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

3. Securities Premium Reserve

Securities premium was created when share are issued at premium. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

4. General Reserve:

General Reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purpose. This reserve is a distributable reserve.

5. Retained Earnings:

Retained earnings represents the accumulated profits / losses made by the Company over the years.

6. Foreign Currency Monetary Items Translation Difference Account :

The reserve pertains to exchange difference relating to long term monetary items in so far as they do not relate to acquisition of depreciable capital assets which are accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised in the Statement of Profit and Loss over the balance period of such long term monetary items. The outstanding balance has been charged to Statement of Profit and Loss in previous year.

7. Remeasurements of Defined Benefit Plans:

Other comprehensive income comprises of re-measurements of defined benefit obligations.

Note 20 - Non-current Financial Liabilities - Borrowings

(₹ In Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| Secured Loans: | | |
| (a) Term Loans | | |
| from Banks | 4.69 | 25.82 |
| from Financial Institution | 7.50 | 17.50 |
| (b) External Commercial Borrowings | -- | 60.29 |
| Unsecured Loans | | |
| (c) Term Loans | | |
| from Banks | -- | -- |
| from Corporate Body | -- | -- |
| Less : Transferred to other current financial liabilities (Reclassified pursuant to Ind AS-1) (Refer Note 20.7) | (12.19) | (103.61) |
| Total | -- | -- |

20.1 Term loans referred to in (a) above and current maturities of long term borrowings referred in Note 26:-

- i) ₹ 149.23 Crore (as at 31st March, 2020 ₹ 151.35 Crore) carrying interest at the rate of 10.70% to 13.50 % are secured by way of first mortgage & charge on pari passu basis on all the immovable and movable properties, present and future, situated at Silvassa, Dadra & Nagar Haveli and Daman and Diu (Union Territory) and at Sarigam, District Valsad, Gujarat and are further secured by Second charge on current assets of the Company, present and future, situated at Silvassa, Dadra & Nagar Haveli and Daman and Diu (Union Territory) and at Sarigam, District Valsad, Gujarat. ₹ 97.39 Crore (as at 31st March, 2020 ₹ 98.30 Crore) carrying interest at the rate of 12.45% to 13.60 % are to be secured by way of first mortgage & charge on pari passu basis on all the immovable and movable properties, present and future, situated at Silvassa, Dadra & Nagar Haveli and Daman and Diu (Union Territory) and at Sarigam, District Valsad, Gujarat and are further to be secured by Second charge on current assets of the Company, present and future, situated at Silvassa, Dadra & Nagar Haveli and Daman and Diu (Union Territory) and at Sarigam, District Valsad, Gujarat.
- ii) ₹ 5.95 Crore (as at 31st March, 2020 ₹ 5.95 Crore) carrying interest at the rate of 11.80 % is secured by way of second pari passu charge on the immovable properties, present and future, situated at Silvassa, Dadra & Nagar Haveli and Daman and Diu (Union Territory) and the movable properties except current assets, present and future, situated at Silvassa, Dadra & Nagar Haveli and Daman and Diu (Union Territory) and at Sarigam, District Valsad, Gujarat. ₹ 27.41 Crore (as at 31st March, 2020 ₹ 27.50 crore) carrying interest at the rate of 12.30% is 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 and Daman and Diu (Union Territory) and at Sarigam, District Valsad, Gujarat.
- iii) ₹ 21.87 Crore (as at 31st March, 2020 ₹ 22.40 Crore) carrying interest at the rate of 12.60 % are secured by way of First pari passu charge on all the immovable properties, present and future, situated at Silvassa, Dadra & Nagar Haveli and Daman and Diu (Union Territory) and movable properties except current assets, present and future, situated at Silvassa, Dadra & Nagar Haveli and Daman and Diu (Union Territory) and at Sarigam, District Valsad, Gujarat.

20.2 External Commercial Borrowings referred to in (b) above and current maturities of long term borrowings referred in Note 26:-

₹ 227.26 Crore (as at 31st March, 2020 ₹ 239.40 Crore) carrying interest at the rate of LIBOR plus 2.5 percentage to 5 percentage are secured by way of first mortgage & charge on pari passu basis on all the immovable and movable properties except current assets, present and future, situated at Silvassa, Dadra & Nagar Haveli and Daman and Diu (Union Territory) and at Sarigam, District Valsad, Gujarat.

20.3 Unsecured Term loans referred to in (c) above and current maturities of long term borrowings referred in Note 26:-

- i) ₹ 33.10 Crore (as at 31st March, 2020 ₹ 33.10 Crore) carrying interest at the rate of 3.50%
- ii) ₹ 134.66 Crore (as at 31st March, 2020 ₹ 134.66 Crore) carrying interest at the rate of 14.00 % is secured by way of pledged of Equity Shares of the Company by the promoters.

20.4 Terms of Repayment (As per Sanction Letter)**i) Secured Term Loans from Banks**

Loan of ₹ 4.69 Crore is repayable in 1 installment of ₹ 4.69 Crore in May 2022.

ii) Secured Term Loans from Financial Institutions

Loan of ₹ 7.50 Crore is repayable in 3 equal quarterly installments of ₹ 2.50 Crore starting from May 2022 and ending on November 2022.

20.5 Term loans from banks (including current maturities of long term borrowings of ₹ 238.12) aggregating to ₹ 242.81 Crore (as at 31st March 2020 ₹ 243.71 Crore) is guaranteed by one of the Directors of the company in his personal capacity.

20.6 As on 31st March, 2021, the Company has overdue of principal of ₹ 696.87 Crore (as at 31st March 2020 ₹ 712.65 Crore) and Interest of ₹ 320.20 Crore (as at 31st March 2020 ₹ 186.34 Crore) for a period of less than 4 year. Further, due to default in servicing of its dues by the Company, the Banks have classified all the credit facilities including current borrowings as referred in Note 24 given to the Company as at 31st March, 2021 as Non Performing Asset (NPA) in their books of account.

20.7 The agreements in respect of non-current borrowings as at 31st March 2021 of ₹ 12.19 Crore (as at 31st March 2020 ₹ 103.61 Crore) contain certain restrictive covenants including non-adherence of initial Term Loan repayment schedule and non-payment of interest thereon as stipulated. In the current year also, the Company has not complied with the terms of these covenants. The Company has classified these borrowings as current financial liabilities which is in line with the compliance of IND AS 1 "Presentation of Financial Statements".

20.8 As per practice, the Company called the balance confirmation from all the banks/financial institutions as at 31st March, 2021. One of the bank did not respond and hence no confirmation was received for the borrowings aggregating ₹ 111.91 Crore from that bank.

20.9 Refer Note 46. in respect of Going Concern.

Note 21 - Non-current Financial Liabilities - Others

(₹ In Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|------------------------|------------------------|
| Cumulative Redeemable Preference Shares | -- | -- |
| Lease Liability | 10.36 | 10.65 |
| Total | 10.36 | 10.65 |

21.1 Terms/rights attached to Cumulative Redeemable Preference Shares (CRPS) and current maturities of long term borrowings referred in Note 26:-

The holder of Preference Share of the Company have a right to vote at a General Meeting of the Company only in accordance with limitations and provisions laid down in Section 47 (2) of the Companies Act, 2013. The preference share holders will be entitled to receive out of the remaining assets of the company after distribution to lenders. 75,709 2.5% CRPS are redeemable at par as : 36,509 shares on 30.09.2020, 17,837 shares on 30.09.2019 and 21,363 shares on 30.09.2018. 14,15,000 20% CRPS are redeemable at a premium of ₹ 700 per share as : 3,15,000 shares on 30.09.2020, 7,70,000 shares on 30.09.2019 and 3,30,000 shares on 30.09.2018. The Preference Shares shall carry dividend at the rate of 2.5 % and 20.00% per annum payable annually.

21.2 The details of Cumulative Redeemable Preference Shares (CRPS) shareholders holding :

| Name of Preference Shareholder of 2.5% CRPS | As at 31st March, 2021 | As at 31st March, 2020 |
|---|------------------------|------------------------|
| Bank of India | 75,709 | 75,709 |
| Percentage | 100% | 100% |
| Name of Preference Shareholder of 20% CRPS | As at 31st March, 2021 | As at 31st March, 2020 |
| Bank of India | 1,415,000 | 1,415,000 |
| Percentage | 100% | 100% |

21.3 Dividend paid and proposed:-

(₹ In Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|------------------------|------------------------|
| Dividend declared and paid | | |
| Final dividend declared and paid for the year ended on 31st March | -- | -- |
| Dividend Distribution Tax on final dividend | -- | -- |
| Proposed Dividends | | |
| Final dividend proposed for the year ended on 31st March | -- | -- |
| Dividend Distribution Tax on proposed dividend | -- | -- |

21.4 During the year the Company has incurred losses, hence dividend on CRPS has not been proposed. However, the same has been disclosed under contingent liabilities.

21.5 As on 31st March, 2021, the Company has defaulted in repayment to preference shareholder of ₹ 113.96 Crore (as at 31st March, 2020 ₹ 88.39 Crore).

21.6 Refer Note No. 55 for prior adjustments.

Note 22 - Non-current Provisions

(₹ In Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| Provision for Employee Benefits | | |
| Gratuity (Unfunded) (refer Note 38) | 13.35 | 11.51 |
| Total | 13.35 | 11.51 |

Note 23 Income Tax

23.1 The major components of Income Tax Expenses for the year ended 31st March, 2021 and 31st March, 2020 are as follows:

(₹ In Crore)

| Particulars | For the Year Ended 31st March, 2021 | For the Year Ended 31st March, 2020 |
|--|-------------------------------------|-------------------------------------|
| Recognised in Statement of Profit and Loss: | | |
| Current Income Tax | -- | -- |
| Short/(Excess) Provision of Tax of Earlier Years (Net) | 3.63 | -- |
| Deferred Tax - Relating to origination and reversal of temporary differences | 0.06 | (0.16) |
| Total Tax Expenses | 3.69 | (0.16) |

23.2 Reconciliation between tax expenses (income) and accounting loss multiplied by tax rate for the year ended 31st March, 2021 and 31st March, 2020:

(₹ in Crore)

| Particulars | For the Year Ended 31st March, 2021 | For the Year Ended 31st March, 2020 |
|---|--|--|
| Accounting Loss before tax | (189.84) | (333.66) |
| Applicable tax rate | 34.944% | 34.944% |
| Computed Tax Expenses | (66.34) | (116.59) |
| Tax effect on account of: | | |
| Lower tax rate and indexation benefits etc. | (0.74) | (0.67) |
| Allowed on payment basis | (0.06) | (0.37) |
| Expenses not allowed | 0.87 | 0.52 |
| Deduction under section 35D of the Income Tax Act | - | (0.79) |
| Deferred Tax Assets not recognised | 70.17 | 114.54 |
| Others | (0.21) | 3.21 |
| Income tax expenses recognised in statement of profit and loss | 3.69 | (0.16) |

23.3 Deferred Tax relates to the following:

(₹ in Crore)

| Particulars | Balance Sheet | | Statement of Profit and loss / OCI | |
|--|---------------------------|---------------------------|--|--|
| | As at 31st March, 2021 | As at 31st March, 2020 | For the Year Ended 31st March, 2021 | For the Year Ended 31st March, 2020 |
| Property Plant and Equipment and Investment Property | 242.92 | 250.81 | (7.89) | (1.98) |
| Redeemable preference share liability | -- | 0.47 | (0.47) | (2.01) |
| Financial Assets | 9.61 | 9.61 | -- | -- |
| Disallowance Under the Income-tax Act, 1961 | (153.78) | (133.06) | (20.72) | (70.17) |
| Others | (110.30) | (110.36) | 0.06 | (4.34) |
| Trade Receivables | -- | (36.88) | 36.88 | 73.27 |
| Inventories | 11.55 | 19.41 | (7.86) | 4.44 |
| | (0.00) | -- | (0.00) | (0.79) |

23.4 Reconciliation of Deferred Tax Liabilities (Net):

(₹ in Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| Opening balance as at 1st April | (0.00) | 192.07 |
| Deferred Tax expenses recognised in statement of profit and loss | 0.06 | (191.86) |
| Deferred Tax (income) recognised in OCI | (0.06) | (0.08) |
| Deferred Tax expenses recognised in other equity | -- | (0.13) |
| Closing balance as at 31st March | (0.00) | (0.00) |

23.5 Unrecognised deductible temporary differences, unused tax losses and unused tax credits :-

(₹ in Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following : | | |
| -Tax losses (revenue in nature) | 15.85 | 40.34 |
| -Unabsorbed depreciation | 176.36 | 169.30 |
| -Deductible temporary differences | | |
| Provision for Credit Impaired in respect of trade receivables | 594.89 | 507.01 |
| Interest Accrued and due but not paid | 130.35 | -- |
| Amount on which Deferred tax assets not recognised | 917.45 | 716.65 |

23.6 Amount and Expiry Date of Unused Tax Losses for which no Deferred Tax Assets is recognised:

(₹ in Crore)

| Assessment Year | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| Deferred tax assets with expiry date till 31st March, 2027 | 15.85 | 40.34 |
| Deferred tax assets with no expiry date | 176.36 | 169.30 |

Note 24 - Current Financial Liabilities - Borrowings

(₹ in Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| (a) Secured Loans | | |
| from Banks | 1,745.61 | 1,741.58 |
| (b) Buyer's Credit | 35.88 | 36.10 |
| | 1,781.49 | 1,777.68 |
| Unsecured Loans | | |
| (c) Working Capital Loans | | |
| from Banks | -- | -- |
| (d) From Body Corporate (refer Note 49) | -- | 20.45 |
| (e) From A Director (refer Note 49) | 19.15 | 22.08 |
| | 19.15 | 42.53 |
| TOTAL | 1,800.64 | 1,820.21 |

24.1 Working Capital Loans as referred to in (a) above of ₹ 1745.61 Crore (as at 31st March, 2020 ₹ 1741.58 Crore) are secured by a first charge on pari passu basis without any preference or priority over each other on all Current Assets of the company both present and future, situated at Silvassa, Dadra & Nagar Haveli and Daman and Diu (Union Territory) and at Sarigam, District Valsad, Gujarat and are also secured by way of Second charge on pari passu basis on movable and immovable properties of the company both present and future, situated at Silvassa, Dadra & Nagar Haveli and Daman and Diu (Union Territory) and at Sarigam, District Valsad, Gujarat.

24.2 Buyers Credit referred to in (b) above of ₹ 35.88 Crore, (as at 31st March, 2020 ₹ 36.10 Crore) are secured by a first charge on pari passu basis without any preference or priority over each other on all Current Assets of the company both present and future, situated at Silvassa, Dadra & Nagar Haveli and Daman and Diu (Union Territory) and at Sarigam, District Valsad, Gujarat and are also secured by way of Second charge on pari passu basis on movable and immovable properties of the company both present and future situated at Silvassa, Dadra & Nagar Haveli and Daman and Diu (Union Territory) and at Sarigam, District Valsad, Gujarat.

24.3 As on 31st March, 2021, the Company has overdue of Working Capital loan of ₹ 1781.49 Crore (as at 31st March 2020 ₹ 1777.68 Crore) and Interest of ₹ 647.29 Crore (as at 31st March 2020 ₹ 429.84 Crore) included in Interest Accrued and Due in Note no. 26 for a period of less than 4 year.

24.4 The Company had borrowed ₹ 300.00 Crore from lenders against the pledge of equity shares of the Company held by the promoters of the Company. In view of the default in repayment of principle and interest thereon, the lender invoked the pledge and disposed the equity shares for ₹ 0.18 Crore during the year and ₹ 34.43 Crore in earlier years. The realisation value has been adjusted against the outstanding borrowing and interest, equivalent amount has been considered as unsecured borrowing from the promoter director and in the absence of any terms for interest, no interest has been charged on the same. The loan from director as on 31st March, 2021 is net of after set-off ₹ 15.46 Crore (as at 31st March 2020 ₹ 13.01 Crore) on account of excess remuneration paid to executive director.

Note 25- Current Financial Liabilities - Trade Payables

(₹ in Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|-------------------------------------|------------------------|------------------------|
| Micro, Small and Medium Enterprises | 21.69 | 22.68 |
| Others | 107.34 | 121.41 |
| Total | 129.03 | 144.09 |

25.1 Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED 2006) have been determined based on the information available with the Company and the details of amount outstanding due to them are as given below:

(₹ in Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year : | | |
| Principal Amount Outstanding | 21.69 | 22.68 |
| Interest Due thereon | 0.10 | 0.13 |
| b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year; | -- | -- |
| c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006; | -- | -- |
| d) the amount of interest accrued and remaining unpaid at the end of each accounting year; | 0.10 | 0.13 |
| e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | -- | -- |

Note 26- Current Financial Liabilities - Others

(₹ in Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|------------------------|------------------------|
| Cumulative Redeemable Preference Shares (refer note 21.1 and 55) | 113.96 | 121.81 |
| Borrowing reclassified from Non-Current Borrowings pursuant to Ind AS-1 (refer note 20.7) | 12.19 | 103.61 |
| Current Maturities of long-term Borrowings | | |
| - Term Loans | 457.34 | 429.69 |
| - External Commercial Borrowings | 227.26 | 179.11 |
| Lease Liability | 0.29 | 0.63 |
| Unpaid Dividends | 0.28 | 0.33 |
| Creditors for Capital Expenditure | 3.92 | 3.73 |
| Interest accrued and due on borrowings (refer note 34.1) | 561.95 | 373.16 |
| Interest accrued and due on others | 6.30 | 5.60 |
| Other Payables | | |
| Salary, Wages and Bonus Payable | 8.10 | 7.90 |
| Provision for expenses and Other Payable | 6.59 | 8.59 |
| Total | 1,398.18 | 1,234.16 |

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

Note 27 - Other Current Liabilities

(₹ in Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|------------------------------------|------------------------|------------------------|
| Deposit from Customers | 0.11 | 0.10 |
| Advances from Customers | 12.47 | 11.79 |
| Statutory Dues & Other Liabilities | 2.48 | 3.08 |
| Total | 15.06 | 14.97 |

Note 28 - Current Provisions

(₹ in Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| Provision for employee benefits | | |
| Gratuity (Unfunded) (refer Note 38) | 1.45 | 2.29 |
| Leave Encashment (Unfunded) | 6.71 | 5.84 |
| Total | 8.16 | 8.13 |

Note 29 - Current Tax Liabilities (Net)

(₹ in Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|------------------------------------|------------------------|------------------------|
| Income Tax-Advance Tax & TDS (Net) | 3.40 | -- |
| Total | 3.40 | -- |

Note 30 - Revenues from Operations

(₹ in Crore)

| Particulars | For the Year Ended 31st March, 2021 | For the Year Ended 31st March, 2020 |
|--------------------------------|--|--|
| Sale of Products | 2,202.89 | 2,810.88 |
| Other Operating Revenue | 2.56 | 2.02 |
| Revenue from Operations | 2,205.45 | 2,812.90 |

30.1 Disaggregated Revenue:

(i) Revenue based on Geography:

(₹ in Crore)

| Particulars | For the Year Ended 31st March, 2021 | For the Year Ended 31st March, 2020 |
|--------------------------------|--|--|
| Domestic | 1,661.42 | 2,147.40 |
| Export | 544.03 | 665.50 |
| Revenue from Operations | 2,205.45 | 2,812.90 |

(ii) Revenue by Product:

(₹ in Crore)

| Particulars | For the Year Ended 31st March, 2021 | For the Year Ended 31st March, 2020 |
|--------------------------------|--|--|
| Polyster Chips | 997.05 | 1,268.98 |
| Partially Oriented Yarn | 703.88 | 821.05 |
| Polyster Processed Yarn | 500.66 | 717.74 |
| Other | 3.86 | 5.13 |
| Revenue from Operations | 2,205.45 | 2,812.90 |

(iii) Reconciliation of Revenue from Operation with contract price:

(₹ in Crore)

| Particulars | For the Year Ended 31st March, 2021 | For the Year Ended 31st March, 2020 |
|---|--|--|
| Contract Price | 2,234.45 | 2,840.25 |
| less :Reduction towards variables considerations components * | 29.00 | 27.35 |
| Revenue from Operations | 2,205.45 | 2,812.90 |

* The reduction towards variable consideration comprises of volume discounts, rate difference and Quality claim etc.

Note 31 - Other Income

(₹ in Crore)

| Particulars | For the Year Ended 31st March, 2021 | For the Year Ended 31st March, 2020 |
|---|--|--|
| Interest Income from Financial Assets Measured at Amortised Cost | | |
| - Inter Corporate Deposits | 0.69 | 1.83 |
| - Fixed Deposits with Banks | 0.55 | 0.33 |
| - Others | 2.55 | 16.62 |
| Dividend Income (C.Y. ₹ 24,000) | 0.00 | - |
| Gain on Financial Instruments Measured at Fair Value Through Profit or Loss (Net) | 0.15 | - |
| Gain on Foreign Currency Transactions (Net) | 0.06 | - |
| Export Incentive | 4.71 | 7.83 |
| Miscellaneous Income (P.Y. ₹ 33,411) | 2.02 | 0.00 |
| Total | 10.73 | 26.61 |

Note 32 - Changes in Inventories of Finished Goods and Work-in-Progress

(₹ in Crore)

| Particulars | For the Year Ended 31st March, 2021 | For the Year Ended 31st March, 2020 |
|--|--|--|
| At the End of the Year | | |
| Finished Goods | 238.23 | 202.59 |
| Work-in-Progress | 27.13 | 21.80 |
| | 265.36 | 224.39 |
| At the Beginning of the Year | | |
| Finished Goods | 202.59 | 195.13 |
| Work-in-Progress | 21.80 | 30.83 |
| | 224.39 | 225.96 |
| Changes in Inventories of Finished Goods and Work-in-Progress | (40.97) | 1.57 |

Note 33 - Employee Benefits Expense

(₹ in Crore)

| Particulars | For the Year Ended 31st March, 2021 | For the Year Ended 31st March, 2020 |
|---|--|--|
| Salaries, Wages & allowances | 75.48 | 80.09 |
| Contribution to Provident Fund, ESIC and Other Fund | 4.19 | 4.58 |
| Gratuity | 2.25 | 2.24 |
| Employees Welfare and Other Amenities | 1.28 | 1.45 |
| Total | 83.20 | 88.36 |

33.1 Employee benefits expenses for the year ended 31st March 2021 is net of excess remuneration to ₹2.45 Crore (for the year ended 31st March, 2020: ₹1.42 Crore) recovered from the chairman by way of adjustment against the unsecured loan.

33.2 During the year Company has paid an amount of ₹0.06 Crore (for the year ended 31st March 2020 ₹0.47 Crore) to whole time directors, which is subject to shareholders' approval.

Note 34 - Finance Cost

(₹ in Crore)

| Particulars | For the Year Ended 31st March, 2021 | For the Year Ended 31st March, 2020 |
|---|--|--|
| Interest Expenses on Financial Liabilities Measured at Amortised Cost | 242.17 | 244.45 |
| Other Borrowing Costs | 0.85 | 2.65 |
| Total | 243.02 | 247.10 |

34.1 The Company has provided interest @ 9% p.a. on borrowings aggregating to ₹2,364.98 Crore (as at 31st March, 2020: ₹2,372.50 Crore) as against the documented rate as required as per IND AS -23 "Borrowing Costs" read with IND AS-109 on "Financial Instruments" since Company expects that ultimate interest liability will not be more than 9% p.a. Accordingly, finance costs for the year ended 31st March, 2021 is lower by ₹178.01 Crore (for the year ended 31st March, 2020: ₹139.86 Crore) respectively. Aggregate amount of interest not provided for as at 31st March, 2021 is ₹421.03 Crore.

Note 35 - Depreciation, Amortisation and Impairment Expenses

(₹ in Crore)

| Particulars | For the Year Ended 31st March, 2021 | For the Year Ended 31st March, 2020 |
|---|--|--|
| Depreciation of Property, Plant & Equipments (refer Note 5) | 85.74 | 92.27 |
| Amortisation of Intangible Asssets (refer Note 5) | 2.04 | 2.21 |
| Total | 87.78 | 94.48 |

Note 36 - Other Expenses

(₹ in Crore)

| Particulars | For the Year Ended 31st March, 2021 | For the Year Ended 31st March, 2020 |
|---|--|--|
| Manufacturing Expenses | | |
| Stores & Spares Consumed | 10.01 | 9.63 |
| Power & Fuel | 188.48 | 216.07 |
| Repairs to Building | 0.09 | 0.33 |
| Repairs to Plant & Machinery | 2.76 | 2.55 |
| Security Charges | 1.92 | 2.19 |
| Labour Charges | 19.13 | 19.48 |
| Other Manufacturing Expenses | 9.57 | 8.07 |
| Selling and Distribution Expenses | | |
| Packing Material Consumed | 61.50 | 68.77 |
| Freight & Forwarding Charges (Net) | 27.11 | 28.74 |
| Sales Promotion, & Advertising Expenses | 0.04 | 0.16 |
| Brokerage & Commission | 4.62 | 6.51 |
| Administrative and General Expenses | | |
| Rent | 4.03 | 6.12 |
| Rates & Taxes (Net) | 0.39 | 0.98 |
| Insurance | 2.59 | 3.13 |
| Payment to Auditors (refer Note 36.1) | 0.36 | 0.63 |
| Repairs & Maintenance - Others | 1.75 | 2.12 |
| Travelling & Conveyance Expenses | 2.66 | 3.48 |
| Legal, Professional & Consultancy Charges | 7.70 | 10.66 |
| Sundry Debit Balances Written off (Net) | 0.06 | 0.04 |
| Donation | 0.01 | 0.07 |
| Net Loss on Foreign Currency transaction | – | 13.30 |
| Loss on Financial Instruments measured at Fair Value through Profit or Loss (Net) | – | 0.01 |
| Loss on Sale of Property, Plant and Equipment (Net) | 0.10 | 0.11 |
| Bank Charges | 0.92 | 1.50 |
| Corporate Social Responsibility Expenses (refer Note 36.2) | 2.17 | 1.10 |
| Bad Debts | 2.41 | 3.67 |
| Less: Reversal of Provision for Doubtful Debts | 0.15 | 2.36 |
| General Expenses | 5.43 | 6.30 |
| Total | 355.66 | 413.36 |

36.1 Details of Payment to Auditors

(₹ in Crore)

| Particulars | For the Year Ended 31st March, 2021 | For the Year Ended 31st March, 2020 |
|---------------------------------------|--|--|
| a) Auditors: | | |
| Audit Fees | 0.28 | 0.51 |
| Tax Audit Fees | 0.06 | 0.09 |
| Certification Charges (P.Y. ₹ 20,000) | - | 0.00 |
| Reimbursement of Expenses | - | 0.01 |
| b) Cost Audit Fees | 0.02 | 0.02 |
| Total | 0.36 | 0.63 |

36.2 Notes related to Corporate Social Responsibility Expenditure:

(a) CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the company during the year is Rs Nil (For the year ended 31st March 2020 ₹ Nil)

(b) Expenditure related to Corporate Social Responsibility is ₹ 2.17 Crore (for the year ended 31st March 2020 ₹ 1.10 Crore) and ₹ Nil (for the year ended 31st March, 2020 Rs Nil) remained unspent.

Details of expenditure towards CSR given below:

(₹ in Crore)

| Particulars | For the Year Ended 31st March, 2021 | For the Year Ended 31st March, 2020 |
|---------------------------------------|--|--|
| (i) Health Care (including Covid -19) | 0.91 | 0.03 |
| (ii) Education | 1.26 | 0.52 |
| (iii) Art & Culture | -- | 0.50 |
| (iv) Others | -- | 0.05 |
| Total | 2.17 | 1.10 |

Note 36.3 - Earnings Per Equity Share

| Particulars | For the Year Ended 31st March, 2021 | For the Year Ended 31st March, 2020 |
|--|--|--|
| Net Loss for the year attributable to Equity Shareholders for Basic EPS and diluted EPS (₹ In Crore) | (193.53) | (332.09) |
| Weighted average number of equity shares outstanding during the year for Basic EPS and Diluted EPS (in Nos.) | 818,71,849 | 818,71,849 |
| Basic and Diluted Earning per share of ₹ 10 each (in ₹) | (23.64) | (40.56) |
| Face value per equity share (in ₹) | 10.00 | 10.00 |

Note 37- Contingent Liabilities and Commitments

37.1 Contingent Liabilities (To the extent not provided for)

Claims against the Company not acknowledged as debts

(₹ in Crore)

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|-----------------------|-----------------------|
| Disputed Liabilities in Appeal (No Cash outflow is expected in the near future) | | |
| Excise Duty / Service Tax * | 1.76 | 1.76 |
| Goods & Service Tax Act (Company has preferred an appeal before Commissioner (Appeal). No cash outflow is probable.) | 1.28 | -- |
| Others (amount paid under protest of ₹ 1.36 Crore) | 3.21 | 3.21 |
| Guarantees | | |
| Bank Guarantees | 30.29 | 30.29 |
| (Bank guarantees are provided under contractual/legal obligations. No cash outflow is probable.) (refer Note No. 8.2) | | |
| Others | | |
| Corporate Guarantee to a bank against the credit facility to that subsidiary Company (No Cash outflow is expected) (To the extent of credit facility availed and outstanding as on 31st March, 2021) (refer Note No. 37.2) | -- | -- |
| One of the operational creditors of JBF RAK LLC, situated at UAE (JBF RAK), a subsidiary of the Company, has made an application with National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016 against the Company, for supply of raw materials to JBF RAK (No Cash outflow is expected) (refer Note No. 37.3) | -- | -- |
| Dividend Accrued on Cumulative Redeemable Preference Shares: | | |
| 20% Cumulative Redeemable Preference Shares | 7.05 | 6.73 |
| 2.5% Cumulative Redeemable Preference Shares | 0.05 | 0.05 |

*The Company has received show cause notice from the Excise department which mainly relate to CENVAT credit on sales commission. The Company does not foresee any losses on this account.

- 37.2** The Company had issued a corporate guarantee of USD 463.96 Million (equivalent of ₹ 3,394.61 Crore) to the lenders of JBF Petrochemicals limited ("JPL"), a step down subsidiary. One of the lenders of JPL vide its letter dated 24th April, 2018 invoked corporate guarantee to the extent of USD 252.00 Million (equivalent of ₹ 1,843.79 Crore) as JPL has defaulted in servicing its borrowings towards principal and interest thereon. Company has denied above invocation and is of the view that above corporate guarantee was valid only up to one year from the Commercial operation date i.e. 31st March, 2017 and all obligation of the Company towards above lenders stand rescinded, have fallen away and ceased to exist as on 1st April, 2018. In view of the above, invocation of corporate guarantee on 24th April, 2018 is not legally tenable and hence no provision is required towards the guarantee so invoked. Company has discontinued recognition of guarantee commission w.e.f. 1st April, 2018.
- 37.3** One of the operational creditors of JBF RAK LLC, situated at UAE (JBF RAK), a subsidiary of the Company, has made an application with National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016 against the Company, for supply of raw materials to JBF RAK and claimed for a debt of ₹ 128.48 Crore (US\$ 19,899,091.53) as per notice dated 17th February, 2020. Management is of the view that in view of negotiation with the above creditor by JBF RAK and based on past settlement by the Company with above creditors in respect of raw material purchased by the Company, there will be no liability on account of it to the Company and hence no provision is required towards above claim.
- 37.4** During the previous year, the Company has received show cause notice in respect of non-payment of customs duty to the tune of ₹ 47.00 Crore along with applicable interest and penalty from Directorate of Revenue Intelligence (DRI), Kolkata, dated 2nd September, 2019. As per the said show cause notice, the Company has contravened certain pre-import conditions that have been stipulated under the customs notification in connection with the import of raw materials namely PTA and MEG under the Advance Authorisation Scheme. The said show cause notice alleges that the Company had exported the finished goods prior to import of the raw materials under the Advance Authorisation Scheme. The Company has refuted all the allegations made in the said show cause notice and accordingly, the matter has been stayed by The High Court of Gujarat vide order dated 20th November, 2019.

37.5 Commitments

(₹ in Crore)

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|-----------------------|-----------------------|
| 1) Estimated amount of Contracts remaining to be executed on Capital Account not provided for / Net of Advance paid (Cash outflow is expected on execution of such capital contracts, on progressive basis) | | |
| a) Related to Property, Plant and Equipment | 18.94 | 20.53 |
| b) Related to Intangible Assets | 0.10 | — |

2) The Company has imported goods under Advance License Scheme resulting in duty saving of ₹ 0.12 Crore (as at 31st March 2020 ₹ 55.92 Crore). As per the guidelines issued by the Government of India, the Company is required to fulfill export obligation as per the terms of the scheme. In case of failed to export obligation as per terms of the scheme within stipulated period, the Company may have to pay the duty saved on import along with interest and penalty thereon. The management is confident of fulfillment of export obligation in the stipulated period.

- 37.6** Management is of the view that above litigations will not have any material impact on the financial position of the company.

Note 38- Employee Benefits

- 38.1** As per Ind AS 19 'Employee Benefits', the disclosure of Employee benefits as defined in the Ind AS are given below:

(a) Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognized as expense for the years are as under:

(₹ in Crore)

| Particulars | 2020-21 | 2019-20 |
|---|---------|---------|
| Employer's Contribution to Provident Fund | 1.34 | 1.50 |
| Employer's Contribution to Pension Scheme | 2.68 | 2.90 |
| Employer's Contribution to Other Funds | 0.17 | 0.18 |

The contribution to provident fund is made to Employees' Provident Fund managed by Provident Fund Commissioner. The contribution towards ESIC made to Employees' State Insurance Corporation. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

(b) Defined Benefit Plan:

The present value of Employee's 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.

| Particulars | Gratuity (Unfunded) | |
|------------------------------|---|---|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| Actuarial assumptions | | |
| Mortality Table | Indian Assured Lives Ultimate Mortality (2012-14) | Indian Assured Lives Ultimate Mortality (2012-14) |
| Salary growth | 4.00% | 4.00% |
| Discount rate | 6.80% | 6.75% |
| Withdrawal Rates | 1.00% | 1.00% |

(₹ in Crore)

| Particulars | Gratuity (Unfunded) | |
|---|---------------------|--------------|
| | 2020-2021 | 2019-20 |
| <u>Movement in present value of defined benefit obligation</u> | | |
| Obligation at the beginning of the year | 13.80 | 11.64 |
| Current service cost | 1.32 | 1.34 |
| Interest cost | 0.93 | 0.90 |
| Benefits paid | (1.43) | (1.89) |
| Actuarial loss on obligation | 0.18 | 1.81 |
| Obligation at the end of the year | 14.80 | 13.80 |
| <u>Amount recognised in the statement of profit and loss</u> | | |
| Current service cost | 1.32 | 1.34 |
| Interest cost | 0.93 | 0.90 |
| Total | 2.25 | 2.24 |
| <u>Amount recognised in the other comprehensive income</u> | | |
| <u>Components of actuarial gain/losses on obligations:</u> | | |
| Due to Change in financial assumptions | (0.06) | 0.98 |
| Due to experience adjustments | 0.24 | 0.84 |
| Total | 0.18 | 1.82 |

C) Net Liability recognised in the balance sheet

(₹ in Crore)

| Amount recognised in the balance sheet | As at 31st March 2021 | As at 31st March 2020 |
|--|-----------------------|-----------------------|
| Present value of obligations at the end of the year | 14.80 | 13.80 |
| Less: Fair value of plan assets at the end of the year | -- | -- |
| Net liability recognized in the balance sheet | 14.80 | 13.80 |
| - Current | 1.45 | 2.29 |
| - Non-current | 13.35 | 11.51 |

(d) The estimate of rate of escalation in Salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other retirement factors including supply & demand in the employment market. The above information is certified by the actuary.

38.2 Sensitivity analysis:

(₹ in Crore)

| Particulars | Changes in assumptions | Effect on Gratuity obligation (Increase/(Decrease)) |
|--|------------------------|---|
| For the year ended 31st March, 2020 | | |
| Salary growth rate | +1% | 1.29 |
| | -1% | (1.12) |
| Discount rate | +1% | (1.12) |
| | -1% | 1.31 |
| For the year ended 31st March, 2021 | | |
| Salary growth rate | +1% | 1.34 |
| | -1% | (1.16) |
| Discount rate | +1% | (1.16) |
| | -1% | 1.36 |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognized in the balance sheet.

38.3 Risk exposures**Actuarial Risk**

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Interest Risk

The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Variability in withdrawal rates:

If actual withdrawal rates are higher than assumed withdrawal rate than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

38.4 The following payments are expected towards Gratuity in future years:

| Year ended | (₹ in Crore) |
|--------------------------------------|--------------|
| | Cash flow |
| 31st March, 2022 | 1.82 |
| 31st March, 2023 | 0.63 |
| 31st March, 2024 | 1.02 |
| 31st March, 2025 | 0.98 |
| 31st March, 2026 | 0.69 |
| 31st March, 2027 to 31st March, 2031 | 8.00 |

38.5 The average duration of the defined benefit plan obligation at the end of the reporting period is 20 years (as at 31st March 2020: 21 years).

Note 39 - Provisions

Disclosures as required by Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets:-

Movement in provisions:-

| Nature of provision | Provision for Credit Impaired / Doubtful Advance | Total |
|----------------------------------|---|---------------|
| As at 31st March, 2019 | 780.38 | 780.38 |
| Provision during the year | 67.41 | 67.41 |
| Payment during the year | 2.36 | 2.36 |
| As at 31st March, 2020 | 845.43 | 845.43 |
| Provision during the year | 3.09 | 3.09 |
| Payment/reversed during the year | 0.56 | 0.56 |
| As at 31st March, 2021 | 847.96 | 847.96 |

Note 40- Related Party Disclosure

Disclosure of Related Party Transactions on a standalone basis

In accordance with the requirements of IND AS 24, "Related Party Disclosures", name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported period, are as detail below:

40.1 List of Related Parties :

| | Name of the related party | Country of incorporation | % of Equity Interest | |
|-----|--|--------------------------|--------------------------|--------------------------|
| | | | As at 31st March 2021 | As at 31st March 2020 |
| (a) | Subsidiary Companies | | | |
| | JBF Global PTE Ltd | Singapore | 85.50% | 85.50% |
| | JBF RAK LLC | UAE | 85.50% | 85.50% |
| | JBF Petrochemicals Ltd (Refer Note No. 40.5) | India | 85.50% | 85.50% |
| | | Bahrain | 85.50% | 85.50% |
| | JBF Global Europe BVBA | Belgium | 85.50% | 85.50% |
| | JBF Trade Invest PTE Ltd | Singapore | 85.50% | 85.50% |

(b) Key Management Personnel**Name & Designation**

Mr. B.C.Arya – Chairman.

Mr. N.K.Shah - Vice Chairman & Managing Director (from 14.11.2018 to 31.05.2019)

Mr. Arun Shah - Chief Finance Officer (from 04.06.2018 to 30.04.2019 and Chief Executive Officer (from 14.11.2018 to 30.04.2019)

Mrs. Ujjwala Apte - Director (from 01.06.2019 to 20.09.2019 and from 18.11.2019) and Company Secretary

Mr. Sanjay Thapliyal- Director (from 14.11.2018 to 20.09.2019)

Mr. S. N. Shetty - Director (from 14.11.2018 to 26.02.2019 and from 18.11.2019)

Mr. Pravin Prajapati - Chief Finance Officer (from 12.11.2019 to 02.03.2020)

Mr. Yash Gupta - Additional Director (from 12.02.2021)

(c) Relative of Key Management Personnel

Mr.Cheerag Arya - Son of Mr. B.C.Arya

Mrs.Chinar Mittal - Daughter of Mr. B.C.Arya

(d) Enterprises over which persons described in (b) & (c) above are able to exercise significant influence (Other Related Parties) with whom transactions have taken place:-

Vaidic Resources Pvt.Ltd

40.2 Transactions with Related Parties :**(₹ in Crore)**

| Name of Transactions | Name of the Related Party | 2020-21 | 2019-20 |
|--|---|---------|---------|
| Transactions with subsidiaries / associates | | | |
| Sale of Goods (amount is on CIF basis) | JBF Bahrain W.L.L. | 336.96 | 265.29 |
| Interest Income | JBF Global PTE Ltd | 0.69 | 1.83 |
| Transactions with other related parties: | | | |
| Remuneration | Mrs.Chinar Mittal | 0.29 | 0.29 |
| | Mr Cheerag Arya | 0.30 | 0.26 |
| Managerial Remuneration | Mr. B.C.Arya | 0.73 | 1.47 |
| | Mr. N.K.Shah | – | 1.01 |
| | Mr. Arun B Shah | – | 0.22 |
| | Mrs. Ujjwala Apte | 0.51 | 0.42 |
| | Mr. Sanjay Thapliyal | – | 0.67 |
| | Mr. S. N. Shetty | 0.52 | 0.19 |
| | Mr. Yash Gupta | 0.06 | – |
| | Mr. Pravin Prajapati | – | 0.12 |
| Loan Taken/Adjusted | JBF Petrochemicals Ltd (refer note 49) | 44.66 | – |
| Loan Repaid/Adjusted | Vaidic Resources Pvt. Ltd (refer note 49) | 20.45 | – |
| Loan Repaid/Adjusted | Mr B C Arya (refer note 24.4 and 49) | 0.48 | – |
| Loan Repaid/Adjusted | Mr B C Arya (refer note 33.1) | 2.45 | 1.42 |

(₹ in Crore)

| Name of Transactions | Name of the Related Party | As at 31st March 2021 | As at 31st March 2020 |
|--|---------------------------|-----------------------|-----------------------|
| Transactions with related parties | | | |
| Current Financial Assets - Others | JBF Petrochemicals Ltd | 110.68 | 110.68 |
| | JBF Global PTE Ltd | 5.79 | 5.26 |
| Investment -Non Current | JBF Global PTE Ltd | 396.17 | 396.17 |
| | JBF Petrochemicals Ltd | 27.50 | 27.50 |
| Current Financial Assets - Loans | JBF Petrochemicals Ltd | 727.64 | 772.30 |
| | JBF Global PTE Ltd | 64.20 | 66.13 |
| Non-current Financial Assets - Others | JBF Petrochemicals Ltd | 131.36 | 131.36 |
| Trade Receivables | JBF RAK LLC | 0.92 | 0.92 |
| | JBF Bahrain W.L.L. | 159.42 | 146.80 |
| Current Financial Liabilities - Borrowings | JBF Petrochemicals Ltd | 6.29 | 6.29 |
| | Mr B C Arya | 19.15 | 22.08 |
| Guarantee Given (refer Note 37.2) | Vaidic Resources Pvt. Ltd | – | 20.45 |
| | JBF Petrochemicals Ltd | – | – |

40.3 Compensation to key management personnel of the Company**(₹ in Crore)**

| Nature of transaction | 2020-21 | 2019-20 |
|--|-------------|-------------|
| Short-term employee benefits | 2.15 | 4.40 |
| Post-employment benefits | 0.01 | – |
| Total compensation paid to key management personnel | 2.16 | 4.40 |

- 40.4 The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year-end are unsecured, unless specified and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.
- 40.5 IDBI Trusteeship Services Limited, the Security Trustee to , the lenders of JBF Petrochemicals Ltd. ("JPL"), a step down subsidiary, has exercised the rights of a 'Pledge' and invoked the pledge over the pledged 51% equity shares of JPL held by JBF Global Pte. Ltd., a Subsidiary Company and transferred the same to IDBI Trusteeship Services Ltd. However lenders have not adjusted any amount against the JPL's borrowings so far.
- 40.6 Refer Note No. 37.3

Note 41 - Fair Values

41.1 Financial Instruments by category:

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial assets and liabilities that are recognised in the financial statements.

a) Financial Assets and Liabilities Measured at Fair Value:

(₹ in Crore)

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|-----------------------|-----------------------|
| Financial Assets designated at fair value through profit or loss:- | | |
| - Investments | 0.21 | 0.06 |

b) Financial Assets and Liabilities Measured at Amortised Cost:

(₹ in Crore)

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|------------------------|-----------------|------------------------|-----------------|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| Financial Assets Designated at Amortised Cost:- | | | | |
| - Trade Receivable | 310.79 | 310.79 | 281.96 | 281.96 |
| - Cash and Cash Equivalents | 19.69 | 19.69 | 10.86 | 10.86 |
| - Bank Balance other than cash and cash equivalents | 7.74 | 7.74 | 7.55 | 7.55 |
| - Loans | 791.84 | 791.84 | 838.43 | 838.43 |
| - Others | 275.94 | 275.94 | 270.82 | 270.82 |
| | 1,406.00 | 1,406.00 | 1,409.62 | 1,409.62 |
| Financial Liabilities designated at amortised cost:- | | | | |
| - Borrowings (Including Current Maturity) | 2,497.43 | 2,497.43 | 2,532.62 | 2,532.62 |
| - Trade Payable | 129.03 | 129.03 | 144.09 | 144.09 |
| - Other Financial Liabilities (Refer Note No. 55) | 711.75 | 711.75 | 532.40 | 532.40 |
| | 3,338.21 | 3,338.21 | 3,209.11 | 3,209.11 |

41.2 Fair Valuation Techniques used to determine Fair Value

The Company maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- Fair value of trade receivable, cash and cash equivalents, other bank balances, current borrowings, trade payables, other current financial assets and other current financial liabilities are approximate at their carrying amounts largely due to the short-term maturities of these instruments.
- The fair values of non-current borrowings and security deposits are calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including credit risk. The fair values of non-current borrowings are approximate at their carrying amount due to interest bearing features of these instruments.
- The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
- Fair values of quoted financial instruments are derived from quoted market prices in active markets.
- Equity Investments in subsidiaries are stated at cost.

41.3 Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:-

- Level 1 :- Quoted prices / published NAV (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like mutual funds for which net assets value (NAV) is published by mutual fund operators at the balance sheet date.
- Level 2 :- Inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). It includes fair value of the financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the Company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.

- iii) Level 3 :- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table provides hierarchy of the fair value measurement of Company's asset and liabilities, grouped into Level 1 (Quoted prices in active markets), Level 2 (Significant observable inputs) and Level 3 (Significant unobservable inputs) as described below:

(₹ in Crore)

| Particulars | 31st March, 2021 | | |
|--|------------------|-----------|-----------|
| | Level 1 | Level 2 | Level 3 |
| Financial Assets designated at fair value through profit or loss (Investments): | | | |
| – Equity investments | 0.21 | -- | -- |
| Total | 0.21 | -- | -- |

(₹ in Crore)

| Particulars | 31st March, 2020 | | |
|--|------------------|-----------|-----------|
| | Level 1 | Level 2 | Level 3 |
| Financial Assets Designated at Fair Value Through Profit or Loss (Investments): | | | |
| – Equity Investments | 0.06 | -- | -- |
| Total | 0.06 | -- | -- |

There were no transfers between Level 1 and Level 2 during the year.

41.4 Description of the inputs used in the fair value measurement:

Following table describes the valuation techniques used and key inputs to valuation for level 3 of the fair value hierarchy as at 31st March, 2021 and 31st March, 2020.

(₹ in Crore)

| Particulars | As at 31st March, 2021 | Valuation Technique | Inputs used | Sensitivity |
|--|------------------------|---------------------|----------------------|--------------------------------------|
| Financial Assets Designated at Fair Value Through Profit or Loss (Investments): | | | | |
| – Unlisted Equity Investments | -- | Book Value | Financial Statements | No material impact on fair valuation |

(₹ in Crore)

| Particulars | As at 31st March, 2020 | Valuation Technique | Inputs used | Sensitivity |
|--|------------------------|---------------------|----------------------|--------------------------------------|
| Financial Assets Designated at Fair Value Through Profit or Loss (Investments): | | | | |
| – Unlisted Equity Investments | - | Book Value | Financial Statements | No material impact on fair valuation |

41.5 Reconciliation of fair value measurement categorised within level 3 of the fair value hierarchy:-

Financial Assets designated at fair value through profit or loss - Investments :

| Particulars | (₹ in Crore) |
|---|--------------|
| Fair value as at 31st March, 2020 | -- |
| Loss on financial instruments measured at fair value through profit or loss (net) | -- |
| Purchase / Sale of financial instruments | -- |
| Amount Transferred to / from Level 3 | -- |
| Fair value as at 31st March, 2021 | -- |

41.6 Description of the valuation processes used by the Company for fair value measurement categorised within level 3:-

At each reporting date, the Company analyses the movements in the values of financial assets and liabilities which are required to be remeasured or re-assessed as per the accounting policies.

The Company also compares the change in the fair value of each financial asset and liability with relevant external sources to determine whether the change is reasonable. The Company also discusses of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Company has determined classes of financial assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Note 42 :- Financial Risk Management Objective and Policies

The Company is exposed to market risk, credit risk and liquidity risk. Risk management is carried out by the company under policies approved by the board of directors. The Company's documented risk management policies are effective tool in mitigating the various financial risk to which the business is exposed to in the course of daily operations. This Risk management plan defines how risks associated with the Company will be identified, analysed, and managed. It outlines how risk management activities will be performed, recorded, and monitored by the Company. The basic objective

of risk management plan is to implement an integrated risk management approach to ensure all significant areas of risks are identified, understood and effectively managed, to promote a shared vision of risk management and encourage discussion on risks at all levels of the organization to provide a clear understanding of risk/benefit trade-offs, to deploy appropriate risk management methodologies and tools for use in identifying, assessing, managing and reporting on risks, and to determine the appropriate balance between cost and control of risk and deploy appropriate resources to manage/optimize key risks. Activities are developed to provide feedback to management and other interested parties (e.g. Audit committee, Board etc.). The results of these activities ensure that risk management plan is effective in the long term.

42.1 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: foreign currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk.

The sensitivity analyses is given relate to the position as at 31st March 2021 and 31st March 2020.

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations, provisions and on the non-financial assets and liabilities. The sensitivity of the relevant statement of profit and loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. This is based on the financial assets and financial liabilities held as at 31st March, 2021 and 31st March, 2020.

(a) Foreign Exchange Risk and Sensitivity

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company transacts business primarily in USD and Euro. The Company has obtained foreign currency loans and has foreign currency trade payables, derivative instruments and receivables and is therefore, exposed to foreign exchange risk. The Company is regularly reviews and evaluates exchange rate exposure arising from foreign currency transactions.

The following table demonstrates the sensitivity in the USD, JPY and Euro to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax due to changes in the fair values of monetary assets and liabilities is given below:

| Unhedged Foreign currency exposure as at 31st March, 2020 | Currency | Amount in FC | (₹ in Crore) |
|---|----------|--------------|--------------|
| Trade Receivables | USD | 508,18,308 | 356.13 |
| Loan given | USD | 87,74,655 | 66.13 |
| Interest on Loan | USD | 6,97,933 | 5.26 |
| Trade Payable | USD | 38,93,662 | 29.35 |
| Trade Payable | JPY | 9,02,880 | 0.06 |
| Trade Payable | EURO | 46,050 | 0.38 |
| Interest accrued and due on others | USD | 7,25,478 | 5.47 |
| Borrowings and interest thereon | USD | 383,11,208 | 288.74 |
| Foreign Commission | USD | 5,46,664 | 4.12 |
| Investment in Foreign Subsidiary | USD | 720,00,000 | 396.17 |
| Unhedged Foreign currency exposure as at 31st March, 2021 | Currency | Amount in FC | (₹ in Crore) |
| Trade Receivables | USD | 503,57,964 | 359.56 |
| Loan given | USD | 87,74,655 | 64.20 |
| Interest on Loan | USD | 7,91,815 | 5.79 |
| Trade Payable | USD | 42,28,354 | 30.94 |
| Trade Payable | EURO | 88,453 | 0.76 |
| Interest accrued and due on others | USD | 8,46,546 | 6.19 |
| Borrowings and interest thereon | USD | 400,70,919 | 293.18 |
| Foreign Commission | USD | 5,33,489 | 3.90 |
| Investment in Foreign Subsidiary | USD | 720,00,000 | 396.17 |

Foreign Currency Sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax (PBT) :-

(₹ in Crore)

| Particulars | 2020-21 | | 2019-20 | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 1% Increase - Increase in PBT | 1% Decrease - Decrease in PBT | 1% Increase - Increase in PBT | 1% Decrease - Decrease in PBT |
| USD | 0.95 | (0.95) | 1.00 | (1.00) |
| JPY | - | - | (0.00) | 0.00 |
| EURO | (0.01) | 0.01 | (0.00) | 0.00 |
| Increase / (Decrease) in profit before tax | 0.94 | (0.94) | 0.99 | (0.99) |

b) Interest rate risk and sensitivity :-

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest expenses and to manage the interest rate risk treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

The table below illustrates the impact of a 0.5% increase in interest rates on interest on financial liabilities assuming that the changes occur at the reporting date and has been calculated based on risk exposure outstanding as of date. The year end balances are not necessarily representative of the average debt outstanding during the year. This analysis also assumes that all other variables, in particular foreign currency rates, remain constant.

Exposure to interest rate risk

| Particulars | (₹ in Crore) | |
|--|-----------------------|-----------------------|
| | As at 31st March 2021 | As at 31st March 2020 |
| Interest free Borrowing | 19.15 | 42.53 |
| Interest bearing Borrowing | 2,478.28 | 2,490.09 |
| Total Borrowing | 2,497.43 | 2,532.62 |
| % of Borrowings out of above bearing variable rate of interest | 92.52 | 91.70 |

Interest rate sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax

| Particulars | (₹ in Crore) | | | |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | 2020-21 | | 2019-20 | |
| | 0.50% Increase - Decrease in PBT | 0.50% Decrease - Increase in PBT | 0.50% Increase - Decrease in PBT | 0.50% Decrease - Increase in PBT |
| 50 bp increase / decrease the profit before tax by | 11.55 | (11.55) | 11.61 | (11.61) |

c) Commodity price risk:-

The Company's raw materials i.e. Purified Terephthalic Acid (PTA) & Monoethylene Glycol (MEG) and finished goods i.e. Polyester Chips, Partially Oriented Yarn (POY) and Texising Yarn (TEX) are petrochemical products. Commodity price risk arises due to fluctuation in prices of petrochemical products. The Company mitigate the risk by natural hedge as any increase/decrease in raw materials price directly reflect the finished goods price.

4.2 Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- Significant increase in credit risk on other financial instruments of the same counterparty,
- Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss. The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. (refer Note 47)

a) Trade Receivables:-

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings with the Company for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The Company has also taken security deposits in certain cases from its customers, which mitigate the credit risk to some extent. No single customer accounted for 10% or more of revenue in any of the years presented except mentioned in Note No. 44.3. Therefore, the Company does not expect any material risk on account of non-performance by Company's counterparties. (refer Note 47)

The Company has used practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix taken into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on ageing of the days the receivables are due.

The following table summarizes the Gross carrying amount of the trade receivable and provision made.

| Particulars | (₹ in Crore) | | | |
|------------------|------------------------|----------------|------------------------|----------------|
| | As at 31st March, 2021 | | As at 31st March, 2020 | |
| | Gross Carrying Amount | Loss Allowance | Gross Carrying Amount | Loss Allowance |
| Trade Receivable | 868.55 | 557.76 | 836.63 | 554.67 |

b) Financial instruments and cash deposits:-

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances are maintained. Credit risk from balances with bank is managed by the Company's finance department. Investment of surplus funds are also managed by finance department. The Company does not maintain significant cash in hand. Excess balance of cash other than those required for its day to day operations is deposited into the bank.

For other financial instruments, the finance department assesses and manage credit risk based on internal assessment. Internal assessment is performed for each class of financial instrument with different characteristics.

42.3 Liquidity Risk.

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company limits its liquidity risk by ensuring funds from trade receivables and bank facilities are available.

The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

(i) Maturity patterns of financial liabilities:

(₹ in Crore)

| Particulars | On Demand | As at 31st March, 2021 | | | Total |
|-------------------------------|-----------------|------------------------|--------------|---------------|-----------------|
| | | 0-1 Years | 1-5 Years | Above 5 Years | |
| Borrowings* (refer Note 20.6) | 2,409.43 | 75.81 | 12.19 | -- | 2,497.43 |
| Trade Payable | -- | 129.03 | -- | -- | 129.03 |
| Other Financial Liability | 562.23 | 139.16 | 2.93 | 7.43 | 711.75 |
| Total | 2,971.66 | 344.00 | 15.12 | 7.43 | 3,338.21 |

(ii) Maturity patterns of financial liabilities:

(₹ in Crore)

| Particulars | On Demand | As at 31st March, 2020 | | | Total |
|---|-----------------|------------------------|---------------|---------------|-----------------|
| | | 0-1 Years | 1-5 Years | Above 5 Years | |
| Borrowings* (refer Note 20.6) | 2,317.67 | 111.34 | 103.61 | -- | 2,532.62 |
| Trade Payable | -- | 144.09 | -- | -- | 144.09 |
| Other Financial Liability (Refer Note No. 55) | 373.49 | 148.26 | 2.36 | 8.29 | 532.40 |
| Total | 2,691.16 | 403.69 | 105.97 | 8.29 | 3,209.11 |

*The same has been disclosed as per sanction letter issued by the bank, however the due to default in servicing of its dues by the Company, the Banks have classified all the credit facilities given to the Company as at 31st March, 2021 as Non Performing Asset (NPA) in their books of account, hence all the borrowings are repayable on demand.

iii) Refer Note 46.

42.4 Competition and Price Risk

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

Note 43 -Capital Management

For the purpose of Company's capital management, capital includes issued capital, all other equity reserves and debts. The primary objective of the Company's capital management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using gearing ratio, which is net debt divided by total capital (equity plus net debts). Net debt are non-current and current debts as reduced by cash and cash equivalents, other bank balances, current investments and fixed deposit more than 12 months. Equity comprises all components including other comprehensive income.

(₹ in Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| Total Debt (Refer Note No. 55) | 2,611.39 | 2,654.43 |
| Less:- Cash and cash equivalent | 19.69 | 10.86 |
| Less:- Other bank balance | 7.74 | 7.55 |
| Net Debt | 2,583.97 | 2,636.01 |
| Total Equity (Equity Share Capital plus Other Equity) (Refer Note No. 55) | 192.56 | 386.21 |
| Total Capital (Total Equity plus Net Debt) | 2,776.53 | 3,022.23 |
| Gearing ratio | 93.06% | 87.22% |

Note 44 - Segment Reporting

44.1 The Company is engaged only in the business of producing polyester based products which is a single segment in terms of Indian Accounting Standard "Operating Segments (Ind AS-108)".

44.2 Revenue from Operations

(₹ in Crore)

| Particulars | For the Year Ended 31st March, 2021 | For the Year Ended 31st March, 2020 |
|--------------------------------|--|--|
| India | 1,661.42 | 2,147.40 |
| Outside India | 544.03 | 665.50 |
| Revenue from Operations | 2,205.45 | 2,812.90 |

44.3 The Company has revenue (FOB) from JBF Bahrain W.L.L., a subsidiary of the Company, of ₹ 327.50 Crore (for the year ended 31st March 2020 ₹ 268.17 Crore (Less than 10 %)) accounted for more than 10% of the Company revenue.

44.4 Non-Current Assets exclude non-current financial assets.

(₹ in Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---------------------------|------------------------|------------------------|
| India | 1,280.21 | 1,361.92 |
| Outside India | -- | -- |
| Non-Current Assets | 1,280.21 | 1,361.92 |

Note 45 - Subsidiaries Exposures

The Company as on 31st March, 2021 has an aggregate exposure of ₹ 1469.63 Crore (As on 31st March 2020 ₹ 1515.69 Crore) (excluding corporate guarantee as mentioned in Note no. 37.2 and refer Note No. 37.3) in its subsidiaries namely JBF Global Pte Ltd ("JGPL") and JBF Petrochemicals limited ("JPL") by way of investment in equity, loans including interest thereon and other receivables as at 31st March, 2021. The details of above exposure are as under:

(₹ in Crore)

| Name of the Company | Nature of Transactions | As at 31st March, 2021 | As at 31st March, 2020 |
|--------------------------------|---------------------------------|------------------------|------------------------|
| (i) JBF Petrochemicals Limited | Inter - Corporate Deposits | 727.64 | 772.30 |
| | Interest thereon | 110.68 | 110.68 |
| | Trade Receivables | 6.29 | 6.29 |
| | Guarantee Commission Receivable | 131.36 | 131.36 |
| | Deemed Equity Investment | 27.50 | 27.50 |
| Total (A) | | 1,003.47 | 1,048.13 |
| (ii) JBF Global Singapore Ltd | Investment In Equity | 396.17 | 396.17 |
| | Inter - Corporate Deposits | 64.20 | 66.13 |
| | Interest thereon | 5.79 | 5.26 |
| Total (B) | | 466.16 | 467.56 |
| Total Exposure (A+B) | | 1,469.63 | 1,515.69 |

JBF RAK LLC's plant located at Ras al-Khaimah in U.A.E, a subsidiary of JGPL partially resumed commercial operations in month of April 2021. JBF RAK is working closely to resolve and address outstanding financial issues with its lenders. Uncertainty is also faced in respect of PTA project at Mangalore, being executed by JPL, due to suspension of operation as planned and default in servicing of its borrowings towards principle and interest. The lenders of JPL have also invoked the pledged equity shares of JPL held by JGPL as mentioned in note no. 40.5 and corporate guarantee of the Company as mentioned in note no. 37.2. One of the lenders of JPL has made an application with National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016. No audited consolidated financial statements of JGPL are available from March 2018.

In view of the above, the impairment testing in respect of the Company's exposures to its subsidiaries could not be carried out and hence no provision for impairment, if any, has been provided for.

Note 46- Going Concern

The Company has under gone severe financial stress during the last 3-4 years due to suspension of manufacturing operations of its subsidiary JPL, rising crude oil prices and undesirable market conditions. All these factors have resulted in financial constraint to the Company, including no credit limits from any of its lenders, losses in operations, default in repayment of principal and interest to lenders, classification of Company's borrowings as non-performing assets by its lenders, declaration as wilful defaulter by one of the lenders and calling back of loans by some of the lenders. Further one of the lenders' application before NCLT under the Insolvency and Bankruptcy Code, 2016, has been dismissed and disposed off by the Court. However, the said lender has filed an appeal before NCLAT.

All the plants of the Company are operational and the management is of the view that above circumstances will not affect the operations of the Company and hence continue to prepare its financial statement on going concern basis.

Note 47 : Exceptional Item

(₹ in Crore)

| Particulars | For the Year Ended 31st March, 2021 | For the Year Ended 31st March, 2020 |
|---|--|--|
| Provision for credit impaired/doubtful advances | 2.67 | 67.41 |
| Total | 2.67 | 67.41 |

During the year, the Company has made provision (net)/reversed for credit loss impaired/doubtful advances in respect of trade receivables and other receivables of ₹ 3.09 Crore (for the year ended 31st March 2020 ₹ 65.00 Crore), and ₹ (0.42) Crore (for the year ended 31st March 2019 ₹ 2.41 Crore) respectively which has been shown as an exception items.

Note 48 : Lease

(i) Effective 1st April, 2019, The Company has adopted Ind AS – 116 “ Leases” under the modified retrospective approach without adjustment of comparatives. This has resulted in recognizing a Right to Use asset and corresponding lease liability of ₹ 11.76 Crore as at 1st April, 2019. Due to transition, the nature of expenses in respect of non-cancellable operating lease has changed from lease rent to depreciation and finance cost for the right to use assets and lease liability respectively.

(ii) Following are the amounts recognised in Statement of Profit & Loss account:

(₹ in Crore)

| Particulars | For the Year Ended 31st March, 2021 | For the Year Ended 31st March, 2020 |
|--|--|--|
| Depreciation expense for right-of-use assets | 0.90 | 0.90 |
| Interest expense on lease liabilities | 1.10 | 1.15 |
| Total amount recognised | 2.00 | 2.05 |

(iii) The following is the movement in lease liabilities during the year :

(₹ in Crore)

| Particulars | For the Year Ended 31st March, 2021 | For the Year Ended 31st March, 2020 |
|--|--|--|
| Opening Balance | 11.28 | – |
| Addition during the year (on April 01, 2019 on adoption of IND AS 116) | – | 11.76 |
| Finance cost accrued during the year | 1.10 | 1.15 |
| Payment of lease liabilities | (1.73) | (1.63) |
| Closing Balance | 10.65 | 11.28 |

(iv) The following is the contractual maturity profile of lease liabilities:

(₹ in Crore)

| Particulars | For the Year Ended 31st March, 2021 | For the Year Ended 31st March, 2020 |
|------------------------|--|--|
| Less than one year | 0.29 | 0.63 |
| One year to five years | 2.93 | 2.36 |
| More than five years | 7.43 | 8.29 |
| Closing Balance | 10.65 | 11.28 |

(v) Lease liabilities carry an effective interest rate of 10%. The average lease term ranges between 7-18 years.

Note 49

During the year the Company has cancelled the deed of assignment with JBF Petrochemicals Limited (JPL), a subsidiary of the Company which was made in earlier year and transferred their borrowings of ₹ 44.66 Crore to JPL. The same borrowings (net of adjustments) had been shown as unsecured loan as at 31st March 2021 under the head Current financial liabilities – borrowings in the note no. 24 to standalone financial statements. The above had resulted into an decrease in Inter Corporate Deposits to related parties by ₹ 44.66 Crore under the head Current Assets loan in the note no. 14 to the standalone financial statements.

Note 50- Consolidation

Due to financial restructuring/negotiation with lenders and/or investors, Company did not receive the audited financial statements of its subsidiaries, hence the Company could not prepare the consolidated financial statements of the Company.

Note 51- Share Based Payments

As approved by the shareholders at its meeting held on 4th October, 2018, the Company has reserved issuance of 40,00,000 equity shares of face value of ₹ 10 each and 24,00,000 equity shares of face value of ₹ 10 each under the Employees Stock Option Plan 2018 (ESOP) & Employees Stock Purchase Scheme 2018 (ESPS) respectively.

Note 52 - Impact of COVID-19

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company's operations and revenue during the period were impacted due to COVID-19. The Company has taken into account the possible impact of COVID-19 in preparation of the audited standalone financial statements, including its assessment of recoverable value of its assets based on internal and external information upto the date of approval of these audited standalone financial statements and current indicators of future economic conditions.

Note 53

The Company has sent emails to various parties for confirmations of balances under trade receivables, to which major amount of parties have responded. Balances of those parties for which confirmations have not been received are subject to confirmation and the management does not expect any significant impact on account of it.

Note 54

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Company had tendered his resignation from the post of CEO and CFO with effect from 1st May, 2019 and 2nd March, 2020 respectively. Management of the Company is actively looking out for suitable candidates to fill in the above vacancies. However, the current corona virus is not helping matters and filling of these executive positions have been delayed.

Note 55

The Company had issued 2.5% & 20% Cumulative Redeemable Preference Shares (CRPS) to a lender in earlier years and redemption was due on 30th September 2020. The Company had accounted the same as financial liability as per IND AS 32 "Financial Instruments Presentation" and accordingly amortised the premium due on redemption along with dividend on the said CRPS as finance cost during its tenure. The amortisation of finance cost resulted in excess amortisation of ₹ 6.75 Crore up to 31st March 2020. The same has been reversed by increasing 'Other Equity' as at 1st April, 2019 by ₹ 5.34 Crore, reduction in finance cost for financial year 2019-20 by ₹ 1.41 Crore. Consequently, this has resulted in reduction in 'Other Financial Liabilities' by ₹ 6.75 Crore as on 31st March, 2020

The financial statements have been restated to correct the following and the effect of the restatement is summarised below:

| Particulars | Head | 1st April, 2019 | | |
|---|--|-------------------------------------|--------------------------------|------------------------------------|
| | | As previously reported (₹ In Crore) | Prior Adjustments (₹ In Crore) | As being reported now (₹ In Crore) |
| Retained Earnings | Other Equity | (268.99) | 5.34 | (263.65) |
| Cumulative Redeemable Preference Shares | Current Financial Liabilities - Others | 92.80 | (5.34) | 87.46 |

| Particulars | Head | 31st March, 2020 | | |
|---|--|-------------------------------------|--------------------------------|------------------------------------|
| | | As previously reported (₹ In Crore) | Prior Adjustments (₹ In Crore) | As being reported now (₹ In Crore) |
| Retained Earnings | Other Equity | (602.49) | 6.75 | (595.74) |
| Cumulative Redeemable Preference Shares | Current Financial Liabilities - Others | 128.56 | (6.75) | 121.81 |
| Total Debt | Capital Management | 2,661.18 | (6.75) | 2,654.43 |
| Finance Costs | Expenses | 248.51 | (1.41) | 247.10 |
| Earnings per Equity Share of ₹ 10 each (Basic and Diluted) (in ₹) | | (40.73) | 0.17 | (40.56) |

Note 56

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 57 -Previous year's figures have been regrouped and rearranged, wherever necessary to make them comparable. To be confirmed

As per our report of even date
For S.C. Ajmera & Co.
 Chartered Accountants
 (Firm Registration no. 002908C)

ARUN SARUPRIA
 Partner
 Membership no. 078398
 Place : Udaipur
 Date : 9th July, 2021

For & on behalf of the Board of Directors
SEETHARAM N. SHETTY
 Director
 DIN-07962778

YASH S GUPTA
 Additional Director
 DIN- 06843474
 Place : Mumbai
 Date : 31st May, 2021

UJJWALA APTE
 Director & Company Secretary
 DIN-00403378
 Membership No A3330

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Crore)

| Particulars | For the Year Ended 31st March, 2021 | For the Year Ended 31st March, 2020 |
|---|--|--|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Loss Before Tax as per Statement of Profit and Loss | (189.84) | (333.66) |
| Adjusted for : | | |
| Depreciation, Amortisation and Impairment Expense | 87.78 | 94.48 |
| Unrealised (Gain)/Loss on Foreign Currency Transactions (Net) | (8.33) | 14.98 |
| Loss on Sale of Property, Plant and Equipment (Net) | 0.10 | 0.11 |
| (Gain)/Loss on Financial Instruments Measured at Fair Value Through Profit or Loss (Net) | (0.15) | 0.01 |
| Finance Costs | 243.02 | 247.10 |
| Bad Debt | 2.26 | 1.31 |
| Divident Income (C.Y. ₹ 24,000/-) | (0.00) | -- |
| Interest Income | (3.42) | (14.68) |
| Sundry Balances Written Off / (Back) (Net) | 0.06 | 0.04 |
| Operating Profit Before Working Capital Changes | 131.48 | 9.69 |
| Adjusted for : | | |
| Trade & Other Receivables | (34.75) | (30.09) |
| Inventories | (29.74) | (1.15) |
| Trade and Other Payables | (17.22) | (252.05) |
| Cash Used in Operations | 49.77 | (273.60) |
| Direct taxes Refund | 50.87 | 10.09 |
| | 100.63 | (263.51) |
| Exceptional Items | 2.67 | 67.41 |
| Net Cash from/(used in) Operating Activities | 103.31 | (196.10) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Property, Plant and Equipment | (4.40) | (2.24) |
| Sale of Property, Plant and Equipment | 0.04 | 0.06 |
| Interest Income | 0.30 | 0.43 |
| Net Cash used in Investing Activities | (4.06) | (1.75) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Movement in Long Term Borrowings (Net) | (8.77) | -- |
| Movement in Short Term Borrowings (Net) | 1.36 | 197.19 |
| Margin Money (Net) | (22.19) | 30.99 |
| Lease Payments | (1.73) | (1.63) |
| Finance Costs Paid | (59.09) | (30.82) |
| Net Cash from/ (used in) Financing Activities | (90.42) | 195.73 |
| Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C) | 8.83 | (2.12) |
| Opening Balance of Cash and Cash Equivalents | 10.86 | 12.98 |
| Closing Balance of Cash and Cash Equivalents | 19.69 | 10.86 |
| Changes in Liabilities arising from financing activities on account of Non-current (Including Current Maturities) and Current Borrowings : | | |

(₹ in Crore)

| Particulars | 31.03.2021 | 31.03.2020 |
|---|-----------------|-----------------|
| Opening Balance of Liabilities arising from Financing Activities | 2,532.62 | 2,315.71 |
| Add/(Less) : Changes from Cash Flow from financing Activities (Net) | (7.41) | 197.19 |
| Add : Transaction Costs | 0.16 | 0.39 |
| Add/(Less) : Effects of changes in Foreign Exchange Rates | (7.00) | 19.33 |
| Less:- Cancellation of assignment of Loan from Subsidiary Company considered as non-cash item | 21.11 | -- |
| Add:- Invocation of pledge of equity shares held by the lender | 0.18 | -- |
| Closing Balance of Liabilities arising from Financing Activities | 2,497.43 | 2,532.62 |

Notes :

- Bracket indicates cash outflow.
- Previous Year's figures have been regrouped and rearranged, wherever necessary to make them comparable.
- Non cash transactions not considered above:-
 - Cancellation of Assignment of loan from Subsidiary Company of ₹ 44.66 Crore (Previous year ₹ Nil)
 - Invocation of pledge of equity shares held by the lender of ₹ 0.18 Crore (Previous year ₹ Nil)
- The above statement of cash flow has been prepared under the "Indirect Method" as set out in Ind AS 7 on Statement of Cash Flow.

As per our report of even date

For S.C. Ajmera & Co.

Chartered Accountants
(Firm Registration no. 002908C)

For & on behalf of the Board of Directors

SEETHARAM N. SHETTY

Director
DIN-07962778

UJJWALA APTE

Director & Company Secretary
DIN-00403378
Membership No A3330

ARUN SARUPRIA

Partner
Membership no. 078398Place : Udaipur
Date : 9th July, 2021

YASH S GUPTA

Additional Director
DIN- 06843474Place : Mumbai
Date : 31st May, 2021

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.

Website : www.jbfindia.com e-mail : sec.shares@jbfmail.com