LETTER OF OFFER

This Document is important and requires your immediate attention

This Letter of Offer constitutes an "offer" and not an "invitation to offer". This Letter of Offer is being sent to you as equity shareholder(s) of JBF Industries Limited. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or Manager to the Offer / Registrar to the Offer. In case you have recently sold your equity shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement [which includes Form of Withdrawal] and Transfer Deed to the purchaser of shares or member of the Stock Exchange through whom the said sale was effected.

CASH OFFER AT Rs.46.50/- (Rupees Forty Six and Fifty Paise Only) PER FULLY PAID UP EQUITY SHARE OF Rs.10 (Rupees Ten Only)

TO ACQUIRE

upto 1,05,70,000 fully paid up Equity Shares of the Face Value of Rs.10/-each representing 20% of the Likely Diluted Paid up Equity Share Capital and representing 22.71 % of the current Paid up Equity Share Capital

OF

JBF INDUSTRIES LIMITED

Regd. Office : Survey No. 273, Village Athola, Silvassa - 396230, Dadra & Nagar Haveli
Tel No: 91-260-2642745/46/2643861/62 • Fax No.: 91-260-2642297
Corporate Office : 8th Floor, Express Towers, Nariman Point, Mumbai - 400 021
Tel No.: 022-22885959 • Fax No: 022-22886393

BY

CITIGROUP VENTURE CAPITAL INTERNATIONAL GROWTH PARTNERSHIP MAURITIUS LIMITED
(ACQUIRER)

Regd. Office : IFS Court, Twenty eight, Cybercity, Ebene, Mauritius
Tel No: 230- 467 3000 • Fax No.: 230- 467 4000

ALONG WITH

CITIGROUP VENTURE CAPITAL INTERNATIONAL JERSEY LIMITED
("PERSON ACTING IN CONCERT")

Regd. Office : P.O.Box 75, 26 New Street, St. Helier, Jersey JE48PP, Channel Islands
Tel No.: + 44 1534 814814 • Fax No.: + 44 1534 814815

Please Note :

1. This Offer is being made pursuant to and in accordance with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto ["Takeover Regulations"].
2. The Preferential Issue (described at Para No. 2.1.2) has been approved by the shareholders of JBF Industries Limited in terms of Section 81(1A) of the Companies Act, 1956. The Foreign Investment Promotion Board ["FIPB"] vide its letter dated July 6,2005 has advised that the acquisition of equity shares representing 20% of the post issue-fully diluted equity capital of JBF Industries Ltd. falls under the General Permission route of the Reserve Bank of India ("RBI") and that the same is to be followed. The Offer is subject to the statutory and regulatory approvals and clearances from the RBI to acquire shares tendered pursuant to this Offer (refer Para No. 6.8 of this document). Besides the above, to the best of the knowledge of the Acquirer/ Person Acting in Concert, no other approvals are required to acquire the shares tendered pursuant to this Offer. However, the Offer will be subject to all statutory approvals as may be applicable.
3. In case of delay in the receipt of any statutory approval(s), Securities and Exchange Board of India ("SEBI") has the power to grant extension of time to the Acquirer and the PAC for payment of consideration to shareholders who have validly tendered their shares subject to the Acquirer and the PAC agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22 (12) of the Takeover Regulation. Further, if the delay occurs on account of wilful default by the Acquirer and the PAC in obtaining the requisite approvals, Regulation 22(13) of the Takeover Regulation will also become applicable.
4. The Acquirer is permitted to revise the Offer Price and number of shares to be acquired upward any time up to seven working days prior to the date of closure of the Offer i.e. upto Monday, March 20, 2006. If there is any upward revision of the Offer Price in terms of Regulation 26 of the Takeover Regulations, the same would be informed by way of a Public Announcement in the same newspapers in which the original Public Announcement and the Revised Public Announcement had appeared as mentioned in Para No. 2.2.1 of this Letter of Offer. Such revised Offer Price would be payable by the Acquirer to all the shareholders who have accepted this Offer and tendered their shares at any time during the term of the Offer to the extent to which their acceptance and tenders have been found valid and accepted by the Acquirer.
5. The Acquirer may withdraw the Offer in accordance with the conditions specified in Regulation 27 of the Takeover Regulations. In the event of such withdrawal, the same would be notified by way of a public announcement in the same newspapers in which the original Public Announcement and the Revised Public Announcement had appeared as mentioned in Para No. 2.2.1 of this Letter of Offer.
6. The procedure for acceptance of this Offer is set out in Para No. 7 of this Letter of Offer. A form of Acceptance cum Acknowledgement and transfer deed (where applicable) along with Form of Withdrawal are enclosed with Letter of Offer.
7. Shareholders who have accepted the Offer by tendering the requisite documents in accordance with the procedures set forth in the Public Announcement / Letter of Offer can withdraw the same upto 3 (three) working days prior (i.e. upto Friday, March 24, 2006) to the date of the closure of the Offer .
8. This document has not been filed, registered or approved in any jurisdiction outside India. Recipients of this document, who are resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements.
9. No competitive bid has been announced as on the date of this Letter of Offer.
10. A copy of the Public Announcement, Revised Public Announcement and Letter of Offer (including Form of Acceptance cum Acknowledgement) is also available on SEBI's website at www.sebi.gov.in. The Form of Acceptance cum Acknowledgement may be downloaded and used to accept the Offer only in jurisdictions where legally permissible. Persons outside India accessing these pages are required to inform themselves of and observe any relevant restrictions.

    All future correspondence if any should be addressed to the Registrar to the Offer shown below :

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
BRESCON™ CORPORATE ADVISORS LIMITED **BRESCON CORPORATE ADVISORS LIMITED** Siddhi Vinayak Chambers, 7th Floor, Gandhi Nagar, Opp. M.I.G. Club, Bandra (E), Mumbai 400 051 Contact Person : Manish Jain, Associate Director Tel No: 022-26410254 Fax No:022-26437160 Email: jbfoffer@brescon.com	**MCS LIMITED** Sri Venkatesh Bhavan, Plot No.27, Road No.11, MIDC Area, Andheri (East), Mumbai - 400 093 Contact Person: Mr. M S Arun Kumar / Rajesh Satardekar Tel No.: 022-55025235 Fax No.: 022-55025245 Email:arunkumar@mcsindia.com, rajeshsatardekar@mcsindia.com
OFFER OPENS ON : MONDAY, MARCH 10, 2006	**OFFER CLOSES ON : WEDNESDAY, MARCH 29, 2006**

Schedule of the Major Activities Relating to the Offer

Activity	Original Schedule	Revised Schedule
Public Announcement ("PA") Date	Wednesday, June 15, 2005	Wednesday, June 15, 2005
Specified Date (for the purpose of determining the names of shareholders to whom Letter of Offer would be sent.)	Friday, June 24, 2005	Friday, June 24, 2005
Last date for Competitive Bid	Wednesday, July 6, 2005	Wednesday, July 6, 2005
Date by which Letter of Offer will be dispatched to shareholders	Thursday, July 28, 2005	Monday, March 7, 2006
Offer opening date	Friday, August 5, 2005	Friday, March 10, 2006
Last date for revising the Offer Price / number of equity shares	Thursday, August 11, 2005	Monday, March 20, 2006
Last date for withdrawal by the shareholders	Friday, August 19, 2005	Friday, March 24, 2006
Offer closing date	Wednesday, August 24, 2005	Wednesday, March 29, 2006
Date by which acceptance / rejection would be intimated and the corresponding payment for the acquired equity shares and / or the share certificates for the rejected shares will be dispatched and/or credited to the beneficiary account in case of dematerialized equity shares.	Thursday, September 8, 2005	Thursday, April 13, 2006

Risk Factors (a) relating to Transaction, (b) relating to Offer and (c) involved in associating with the Acquirer :

The Risk Factors set forth are not intended to cover a complete analysis of all risks perceived in relation to the Offer or in association with the Acquirer, but are only indicative.

1. The Investment Agreement (IA) dated June 10, 2005 (amended vide subsequent amendments dated February 2nd 2006 and March 3, 2006) entered into between (a) JBF (b) the Acquirer and (c) the Promoters of JBF (as defined therein) provides that in the event that the Acquirer (the Investor therein), for any reason is unable to make the Offer, or if the Offer is withdrawn for any reason, then the parties to the IA would initially try to agree upon the manner in which the shares subscribed to by the Acquirer will be dealt with in order to ensure that the provisions of the IA are not given effect contrary to the provisions of the Takeover Regulations.

2. The Offer is subject to the regulatory approvals and clearances including approval by the RBI, required to acquire the shares tendered pursuant to this Offer. The FIPB vide its letter dated July 6,2005 has advised that the acquisition of equity shares representing 20% of the post issue-fully diluted equity capital of JBF Industries Ltd. falls under the General Permission route of the RBI and that the same is to be followed.

3. In the event that either (a) the regulatory approvals are not received in a timely manner, (b) there is any litigation relating to the Offer, or (c) SEBI instructs the Acquirer not to proceed with the Offer, (d) or for any other reason, the completion of the Offer is delayed or the Offer cannot be completed, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer or the Offer may be withdrawn. Consequently, in case of delay of the Offer process, the payment of consideration to the public shareholders of JBF whose shares have been accepted in the Offer as well as the return of shares not accepted by the Acquirer may be delayed.

4. The shares tendered in the Offer will lie to the credit of a designated escrow account, till the completion of the Offer formalities. Accordingly, the Acquirer and the PAC make no assurance with respect to the market price of the shares at any time, including both during the Offer period and upon the completion of the Offer, and disclaim any responsibility with respect to any decision by the shareholders on whether or not to participate in the Offer.

5. The Acquirer makes no assurance with respect to the financial performance of JBF or any of its subsidiaries. The Acquirer and the PAC make no assurance with respect to its investment / divestment decisions relating to its proposed shareholding in JBF.

6. The transaction is subject to all other risks as would be applicable to similar transactions.

	INDEX	

Attached: Form of Acceptance cum Acknowledgement, Form of Withdrawal and transfer deed (where applicable)

KEY DEFINITIONS/ABBREVIATIONS

Acquirer/CVCIGPML	Citigroup Venture Capital International Growth Partnership Mauritius Limited
BSE	The Stock Exchange, Mumbai
FIPB	Foreign Investment Promotion Board
Investment Agreement / IA	Investment Agreement dated June 10, 2005 read in conjunction with the amendment letter dated February 2, 2006 and amendment letter dated March 3, 2006 between (a) JBF (b) the Acquirer and (c) the Promoters of JBF, for issue on preferential allotment basis of 1,19,50,000 equity shares and 10,56,760 warrants.
CSE	Calcutta Stock Exchange
Likely Diluted Paid-up Equity Share Capital	The fully paid-up equity voting capital taking in to consideration all outstanding convertible instruments as on the date of the Investment Agreement /Public Announcement being 10,56,760 warrants issued to CVCIGPML and 52,41,340 warrants issued to the Promoters of JBF, which warrants are convertible into 62,98,100 fully paid up equity share of JBF.
Manager to the Offer /Brescon	Brescon Corporate Advisors Limited
NSE	The National Stock Exchange
OCB	Overseas Corporate Bodies
Offer	Cash offer to acquire 1,05,70,000 fully paid up Equity Shares of the Face Value of Rs.10/- each, representing 20% of the Likely Diluted Paid up Equity Share Capital and representing 22.71% of the current Paid - up Equity Share Capital.
Offer Price	Rs.46.50/- (Rupees Forty Six and Fifty paise) per share
Public Announcement / PA	The original public announcement relating to the Offer as appeared in the newspapers on June15, 2005
Person(s) Acting in Concert / PAC/ CVCIJL	Citigroup Venture Capital International Jersey Limited
Revised Public Announcement	The revised public announcement relating to the Offer as appeared in the newspapers on Tuesday, March 7, 2006.
RBI	Reserve Bank of India
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto.
Registrar to the Offer	MCS Limited
SEBI	Securities and Exchange Board of India
Target Company /JBF	JBF Industries Limited

1. DISCLAIMER

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE TAKEOVER REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF JBF TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, THE PAC OR THE COMPANY WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER / PAC ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER / PAC DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, BRESCON CORPORATE ADVISORS LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JUNE 28, 2005 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS 1997 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT HOWEVER ABSOLVE THE ACQUIRER / PAC FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."

The Acquirer / PAC and Manager to the Offer accept no responsibility for statements made otherwise than in the Letter of Offer or in the advertisement or any material issued by or at the instance of the Acquirer / PAC and the Manager to the Offer and anyone placing reliance on any other source of information would be doing so at his/her/ their own risk.

2. DETAILS OF THE OFFER

2. 1 Background of the Offer

2.1.1 The Acquirer is making this Offer to the remaining equity shareholders of JBF, in compliance with Regulation 10 and Regulation 12 of Takeover Regulations.

2.1.2 Pursuant to a Resolution passed by the Directors in their Board Meeting held on April 27, 2005, JBF at its Extraordinary General Meeting (EGM) held on May 31,2005 passed a Special Resolution under Section 81(1A) of the Companies Act, 1956 and other applicable provisions, authorizing the Board of Directors to issue and allot 1,19,50,000 (One Crore Nineteen Lacs Fifty Thousand) fully paid up Equity Shares of Rs. 10/- each for cash at a premium of Rs.36.50/- per Equity Share i.e. at a price of Rs.46.50/- per Equity Share aggregating to upto Rs. 55.56 crores to CVCIGPML on a Preferential Allotment basis in accordance with the provisions of the Articles of Association of the Company, Listing Agreement between JBF and the stock exchanges, the Companies Act, 1956, guidelines issued by RBI, Securities and Exchange Board of India etc. The Resolution also authorised the Board of Directors to issue and allot upto 10,56,760 (Ten Lacs Fifty Six Thousand Seven Hundred and Sixty) warrants to CVCIGPML having a currency period of eighteen months entitling the holder to subscribe to one fully paid up equity share for every warrant at an exercise price of Rs.46.50/- per equity share.

2.1.3 May 1, 2005 being 30 (thirty) days prior to the date of the EGM was the 'Relevant Date' for the purpose of determining the minimum issue price as per Explanation (a) to Clause No. 13.1.1.1 of Securities and Exchange Board of India [Disclosure and Investor Protection] Guidelines 2000 as amended till date.

2.1.4 The average of weekly high and low of the closing prices of the shares of JBF on the NSE where highest trading volume in respect of the shares of the Company was recorded during the (a) the 6 months ended on April 30, 2005 i.e. the date preceding the Relevant Date, is Rs.46.05/- and (b) the 2 weeks ended on April 30, 2005 is Rs.43.69/-. (Source: www. nseindia.com). The average of weekly high and low of the closing prices of the shares of JBF on The Stock Exchange, Mumbai [BSE] where the shares of the Company are also frequently traded (a) for the 6 months ended on April 30, 2005 i.e. the date preceding the Relevant Date is Rs.46.16/- and (b) for the 2 weeks ended on April 30, 2005 is Rs.43.84/-. (Source: www.bseindia.com)

Therefore, the issue price of Rs.46.50/- per equity share is more than the highest of each of the cases mentioned above.

2.1.5 The Directors of JBF in their Board Meeting held on June 10, 2005 have allotted 1,19,50,000 Equity Shares of face value of Rs. 10/- each for cash at a premium of Rs.36.50/- per Equity Share aggregating to Rs.55.57 crore and 10,56,760 warrants having a currency period of eighteen months entitling the holder to subscribe to one fully paid up equity share for every warrant at an exercise price of Rs.46.50/-, to the Acquirer by way of preferential allotment. The Acquirer has paid 10 % of the warrant consideration (amounting to Rs. 4,913,934) at the time of allotment. The shares/ warrants are locked-in for a period of one year from the date of their allotment.

2.1.6 Investment Agreement (IA) dated June 10, 2005 was simultaneously entered into between (a) JBF, (b) the Acquirer and (c) the Promoters of JBF (being Mr. B.C.Arya, Mr. Cheerag Arya and Ms. Veena Arya). The said IA was amended vide amendment letter dated February 2, 2006, whereby the consent rights of the Acquirer were deleted and amendment letter dated March 3, 2006, whereby restriction on Promoters to convert their warrants has been removed, in each case between the parties to the IA.

2.1.7 Some of the important clauses in the IA are :

Overall management and control of the Target Company will remain with the Promoters while the Acquirer will have the following rights:-

(a) The Target Company and the Promoters are to indemnify the Acquirer in case of breach of any representations and warranties or covenants or due to undisclosed tax liabilities.

(b) The Acquirer shall have the right to nominate 2 (two) Directors on the Board as non-retiring directors. Such directors shall be non-executive directors (who shall not be responsible for the day to day management of the Company) and shall not be themselves directly engaged in (i) a business which competes directly with that of the Target Company or (ii) supplying any significant materials to the Target Company. If the shareholding of the Acquirer falls below 20% of the Target Company's issued and paid up capital, the Acquirer shall be entitled to nominate only one Director on the Board. The Target Company shall obtain director's liability insurance for an amount and on terms satisfactory to the Acquirer and shall indemnify the Directors for any losses caused by actions of the Company or the Promoters.

(c) The Acquirer shall also be entitled to receive from the Target Company certain information (including unaudited quarterly statements, audited annual accounts and annual operating financial budgets), which is not unpublished price sensitive information. These information rights can be suspended by the Board for a reasonable duration if the Board determines that withholding of price sensitive information would be in the best interest of the Company.

(d) Promoters are restricted from transferring or encumbering their securities in the Target Company except with the Acquirer's consent. However, the Promoters are entitled to sell a maximum of 3% of the equity share capital of the Target Company during the term of the Agreement.

(e) If the Promoters sell their shares in the Target Company, the Acquirer has a prorata tag along right. In case of a sale resulting in a Change in Control of the Target Company, the Acquirer would be entitled to an unlimited tag along right. The Acquirer's rights under the agreement are assignable to the purchaser in case of sale of more than 5% equity stake.

(f) The Acquirer would be entitled to acquire only upto 25% of the stake in the Target Company by acquisition of additional shares (other than any shares received from this offer or through any corporate action). Except in the case of sales through a stock exchange, the Acquirer would be required to provide a 2-day notice to the Promoters prior to a sale of more than 10% of the Company's share capital to a single transferee (other than an affiliate).

(g) The Promoters have undertaken certain non-compete covenants. The Investor is permitted to invest in other companies engaged in the same or allied field.

(h) The Target Company shall appoint one of the big 4 audit firms as its statutory auditors.

(i) As a mere financial investor, the Acquirer is not to be treated as Promoter under any law.

(j) The term of the agreement shall expire if the shareholding of the Acquirer drops below certain pre-determined limits.

2.1.8 The IA provides that in the event that the Offer is not, for any reason completed, then the parties are initially to try to agree upon the manner in which the shares subscribed to by the Acquirer will be dealt with in order to ensure that the provisions of the IA are not given effect to contrary to the provisions of the Takeover Regulations. The Acquirer and PAC have not been prohibited by SEBI from dealing in securities in terms of direction issued u/s 11B or under any other regulations made under the SEBI Act, 1992.

2.1.9 In terms of the IA, the Acquirer can nominate two members to the Board of Directors of JBF after completion of the Offer formalities.

2.1.10 The aggregate equity holding of CVCIGPML in the post preferential allotment paid up equity share capital of JBF is 25.67%. Since this holding entitles the Acquirer to more than 15% of the voting rights of the Company, the Acquirer is making an offer to the remaining equity shareholders of JBF, in compliance with Regulation 10 of Takeover Regulations, to acquire 1,05,70,000 Equity Shares representing 20 % of the Likely Diluted Paid-up Equity Share Capital of JBF at a price of Rs.46.50/- per fully paid up equity share ("Offer Price") payable in cash ("Offer"). The Offer is not subject to any minimum level of acceptance and the Acquirer will acquire the equity shares of JBF that are tendered in the valid form in terms of this Offer upto a maximum of 1,05,70,000 Equity Shares. For justification of the Offer Price, please refer Para No. 5.1 of this Letter of Offer.

2.1.11 As on the date of PA, issued, subscribed and paid up equity share capital of JBF is Rs. 46,55,19,000 comprising of 4,65,51,900 Equity Shares of Rs. 10/- each. Of these, IL& FS Trust Company Limited A/c IL& FS Private Equity Trust-Leverage India Fund ("IL&FS-LIF") had, independent of the Acquirer, subscribed to 34,41,000 (Thirty Four Lacs Forty One Thousand) equity shares of JBF, IL&FS Employee Welfare Trust ("IL&FS-EWT') had subscribed to 68,800 (Sixty Eight Thousand Eight Hundred) fully paid up equity shares and Trustees IVC Employee Welfare Trust ("IVC -EWT") had subscribed to 68,800 (Sixty Eight Thousand Eight Hundred) fully paid up equity shares of JBF which were allotted on June 10, 2005 at a subscription price of Rs. 46.50/- per equity share. The equity shares are locked-in for a period of one year. Further, 52,41,340 (Fifty Two Lacs Forty One Thousand Three Hundred and Forty) warrants were also issued to the Promoters having a currency period of eighteen months entitling the holder to subscribe to one fully paid up equity share for every warrant at an exercise price of Rs.46.50/- per equity share. These warrants were issued to the Promoters to maintain their shareholding which would have got diluted pursuant to the issue of the equity shares and/or warrants to CVCIGPML, IL&FS-LIF, IL&FS-EWT and IVC-EWT. The warrants are locked-in for a period of 3 years from the date of their allotment.

2.2 Details of the proposed Offer

2.2.1 The Public Announcement of the Offer (PA) was published in the following newspapers in terms of Regulation 15(1) of the Takeover Regulations on Wednesday, June 15, 2005 the details of the same are as follows:

Language	Name of the Newspapers	Editions
English	Financial Express	All Editions
Hindi	Jansatta	All Editions
Marathi	Tarun Bharat	Mumbai Edition
Gujarati	Daman Ganga Times	Vapi Edition

A copy of the PA is also available on SEBI's website at www.sebi.gov.in. The Revised Public Announcement to be published in the abovementioned newspapers (Nav Shakti instead of Tarun Bharat) onTuesday, March 7, 2006 and a copy of the same is also available on SEBI's website at www.sebi.gov.in.

2.2.2 This Offer to the shareholders of the Target Company is to acquire up to 1,05,70,000 fully paid up equity shares of Rs 10/- each of the Target Company representing up to 20% of the Likely Diluted Paid up Equity Share Capital of the Target Company at the Offer Price of Rs.46.50/- (Rupees Forty Six and Fifty paise) per share to all shareholders of the Target Company who tender their equity shares and whose equity shares are acquired by the Acquirer. The Offer Price will be payable in cash, subject to the terms and conditions mentioned in the Public Announcement, the Revised Public Announcement and this Letter of Offer. In case of any upward revision in the Offer Price by the Acquirer at any time upto 7 working days prior (i.e. upto Monday, March 20, 2006) to the date of closure of the Offer the same would be announced in the above mentioned newspapers and the same price would be payable by the Acquirer for all the equity shares tendered at anytime during the Offer and accepted under the Offer.

2.2.3 The Acquirer and PAC have not acquired any equity shares in the Target Company subsequent to the date of the Public Announcement.

2.2.4 There are no partly paid up equity shares as on the date of PA.

2.2.5 Acquirer/PAC have not acquired any equity shares of JBF during the 12 months period prior to the date of the PA except the shares acquired by way of preferential allotment as per the details given in Para No. 2.1.5 above.

2.2.6 The equity shares will be acquired by the Acquirer free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.

2.3 Reasons for the Acquisition, Rationale for the Offer and Future Plans

2.3.1 Substantial acquisition of shares and voting rights without change in control and management is the reason and rationale for this Offer for the acquisition of 20% equity stake in the Likely Diluted Paid-up Equity Share Capital of JBF by the Acquirer in accordance with Regulation 10 of the Takeover Regulations.

2.3.2 Simultaneously with the preferential allotment of the equity shares as mentioned in para 2.1.2 an Investment Agreement dated June 10, 2005 was entered into between (a) JBF, (b) Acquirer and (c) the Promoters of JBF (as defined therein). The acquisition of a significant shareholding of 25.67% of the Target Company through the preferential allotment and a further 20% of the existing shares of the Target Company through this Offer (aggregating to 48.37% of the existing capital & 44.61 % of the Likely Diluted Paid-up Equity Share Capital of the Target Company), aggregated with the rights which are available to the Acquirer under the terms of the IA, may be within the meaning of definition of “control” under Takeover Regulations and, in these facts and circumstances, may amount to change in control in terms of Regulation 2(1)(c) and Regulation 12 of the Takeover Regulations. However, the Acquirer is not in, and does not intend to acquire, management control of the Target Company. It is intended that the promoters of the Company, who are in management and control of the Company, would, even upon completion of the Offer, continue to be promoters of, and in management and control of, the Company. The aforesaid rights afforded to the Acquirer, who is merely a private equity / financial investor, are intended to protect its investment in the Target Company. In the facts and circumstances of the case, the acquisition of shares in the Target Company may as mentioned above, amount to change in control in terms of Regulation 2(1)(c) and Regulation 12 of Takeover Regulations 1997.

2.3.3 Since the investment by Acquirer in the paid up equity share capital of JBF is in the nature of financial investment in the ordinary course of business, the Acquirer does not have any plans to dispose of or otherwise encumber any assets of JBF in the next two years other than in the ordinary course of business. Further, since there will not be any change in control and management of the company consequent to above mentioned acquisition, the Acquirer presently do not have any future plans for JBF. Acquirer shall not sell, dispose of or otherwise encumber any substantial assets of JBF, other than in the ordinary course of business of JBF, except with the prior approval of the shareholders and in accordance with and subject to the applicable laws, permissions and consents, if any.

3. BACKGROUND OF THE ACQUIRER AND PAC

3.1 Background of the Acquirer

3.1.1 Name and address of Acquirer

The Acquirer is Citigroup Venture Capital International Growth Partnership Mauritius Ltd., having its registered office at: IFS Court, Twenty eight, Cybercity, Ebene, Mauritius Tel No: (230) 467 3000 Fax: (230) 467 4000.

3.1.2 History and Major Areas of Operation of the Acquirer

CVCIGPML was incorporated under the name of Waterfalls Quality Investments Limited on June 26, 1998. The name was changed to Citigroup Venture Capital International Growth Partnership Maurtius Limited on April 20, 2005 consequent to the Acquirer becoming part of the structure of the Citigroup Venture Capital International Growth funds. The main object of the Acquirer Company is to carry on the business of an investment and holding company and for that purpose to acquire and hold, either in the name of the company or in that of any nominee and to use sell, assign, transfer, mortgage, pledge or otherwise deal with or dispose of shares, stocks, bonds, debentures, notes, obligations and securities issued or guaranteed by any person or company, and to acquire and hold property of any other kind. The financial statements provided at Para No. 3.1.4 below reflect the position and operations of the Acquirer prior to the aforementioned change in name of the Acquirer.

The Acquirer Company proposes to make and is in the process of making financial investments in various companies. CVCIGPML is within the structure of the Citigroup Venture Capital International Growth funds, being private equity funds managed by Citigroup Venture Capital International Partnership G.P. Limited. (“GP”), (a wholly owned subsidiary of Citigroup Inc., a financial institution listed on the New York Stock Exchange). Various third party investors are expected to make commitments to the Citigroup Venture Capital International Growth funds. Presently Citigroup Inc. has committed to make a minimum capital contribution of US$ 500 million in the Citigroup Venture Capital International Growth funds and further commitments from various other third party investors are expected to be made over time. The Acquirer is a wholly owned subsidiary of Citigroup Venture Capital International Jersey Limited (CVCIJL/PAC). The Acquirer is not a listed company.

3.1.3 The details of Board of Directors of the Acquirer are as follows:

Names	Designation	Date of Appointment	Qualification	Residential Address	Experience
K.Dev Joory	Managing Director	June 26, 1998	Fellow of Institute of Chartered Accountants in England & Wales	Ancienne Route Publique de Moka, Montagne Ory, Moka, Mauritius.	31 years
Couldip Basanta Lala	Technical Director	June 26, 1998	Fellow of Institute of Chartered Accountants in England & Wales	Avenue des Hirondelles, Sodnac, Quatre Bornes, Mauritius	31 years
Marc Desaedeleer	Director	May 17, 2005	M.Sc., M.B.A	Lee garden, Lower Road, Gerrards Cross, SL9 8 LQ, Buckinghamshire, England	29 years
Gordon Clancy	Director	May 17, 2005	M.B.A Finance	PH03 Sutton Court, Gateway Apartments, Harbour City, Sha Tsui, Hongkong	22 years

None of the aforementioned directors, are directors on the Board of Directors of the Target Company, nor are they an “insider” within the meaning of SEBI (Insider Trading) Regulations, 1992 in respect of the Company.

None of the directors of the Acquirer have acquired any equity shares of the Target Company during the 12 (twelve) months preceding the date of the Public Announcement.

3.1.4 Brief audited financial details of the Acquirer for the last three years (being not more than 6 months prior to the date of the Public Announcement) are as under :

(Rs. In Lacs)

	Year Ended		
	31-Dec-04	31-Dec-03	31-Dec-02
Profit and Loss Statement			
Income from Operations	0	0	0
Other Income	0	0	0
Total Income	0	0	0
Total Expenditure	2.126	2.420	2.167
Profit before interest, depreciation and tax	(2.126)	(2.420)	(2.167)
Depreciation	0	0	0
Interest	0	0	0
Profit before tax	(2.126)	(2.420)	(2.167)
Provision for taxation	0	0	0
Profit after tax	(2.126)	(2.420)	(2.167)
Balance Sheet			
Sources of funds			
Paid up share capital	0.001	0.001	0.001
Reserves and Surplus (excluding revaluation reserves)	(6.162)	(4.249)	(1.927)
Networth	(6.161)	(4.248)	(1.927)
Secured Loans	0	0	0
Unsecured Loans	0	0	0
Deferred Tax Liability (Net)	0	0	0
Total	**(6.161)**	**(4.248)**	**(1.927)**

Uses of funds			
Net Fixed Assets	0	0	0
Investments	0	0	0
Net Current Assets	(6.161)	(4.248)	(1.927)
Total Miscellaneous Expenditure Not Written Off	0	0	0
Total	**(6.161)**	**(4.248)**	**(1.927)**
Other Financial Data			
Dividend (%)	-	-	-
Earning Per Share	-	-	-
Return on Networth (%)	-	-	-
Book Value Per Share	-	-	-

Source: Annual Reports for the years ended December 31, 2004, 2003 and 2002

Conversion Rates applied: 1US$=Rs.43.27 {December 31, 2004}, 1US$=Rs45.55. {December 31, 2003} and 1US$=Rs.48 {December 31, 2002}

3.1.5 According to the audited financial statements of CVCIGPML for the year ended December 31, 2004, CVCIGPML had no contingent liabilities as of that date.

3.1.6 CVCIGPML has conducted no operations and has earned no income since its incorporation. CVCIGPML annually incurs licence fees, directors' fees, secretarial fees, audit fees, administrative expenses and similar other expenses. The increase/decrease in losses for each year is primarily on account of annual variations in amounts for the aforementioned expenses to CVCIGPML's service providers.

3.1.7 CVCIGPML vide its letter dated June 15, 2005 has certified that it has complied with the provisions of Chapter II of SEBI Takeover Regulations.

3.1.8 Other than 1,19,50,000 equity shares of Rs. 10/- each and 10,56,760 warrants as mentioned in Para No. 2.1.5 above, CVCIGPML has not held any equity shares in the paid up equity share capital of JBF any time in the past.

3.1.9 Significant Accounting Policies followed by CVCIGPML are as follows:

(a) Basis of accounting:

The financial statements have been prepared in accordance with and comply with International Financial reporting Standards ("IFRS") except for non- consolidation. A summary of the more important accounting policies, which have been applied consistently, is set out below. The preparation of financial statements in accordance with IFRS requires the directors to make estimates and assumptions that affect amounts and disclosures in the financial statements. Actual results could differ from those estimates.

(b) Basis of preparation:

The financial statements have been prepared under historical cost convention.

(c) Revenue Recognition:

Dividend and interest income are accounted for in the period in which they are receivable unless collectibility is in doubt.

(d) Foreign currency transactions:

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Such balances are translated at year end exchange rates.

(e) Financial instruments:

Financial instruments carried on the balance sheet include accruals. The particular recognition method adopted is disclosed in the individual policy statements.

(f) Deferred taxation:

Deferred income tax is provided, using the liability method, for all temporal differences arising between the tax bases of assets and liabilities and their values for financial reporting purposes. Currently enacted tax rates used to determine deferred income tax.

3.2 Background of the PAC

3.2.1 Name and Address of PAC

The PAC is Citigroup Venture Capital International Jersey Limited, having its registered office at P.O.Box 75, 26 New Street, St. Helier, Jersey, JE48PP, Channel Islands Tel.: +44 1534 814814 Fax: +44 1534 814815.

3.2.2 History and Major Areas of Operation

CVCIJL is within the structure of the Citigroup Venture Capital International Growth funds, being private equity funds managed by Citigroup Venture Capital International Partnership G.P. Limited ("GP"), (a wholly owned subsidiary of Citigroup Inc., a financial institution listed on the New York Stock Exchange).

Since CVCIJL has been incorporated on May 20, 2005, its financial information is not available. CVCIJL is not a listed company. CVCIJL was incorporated with an authorized share capital of US$200,000,000 (Rs.87,14,00,000) divided into 66,666,667 A shares of nominal value US$1.00 (Rs. 43.57/-) each and 133,333,333 B Shares of nominal value US$1.00 (Rs.43.57/-) each. The liability of a member holding a share of CVCIJL is limited to the amount unpaid on it, if any. CVCIJL is a private, limited liability company.

The details of Board of Directors of CVCIJL are as follows :

Names	Designation	Date of Appointment	Qualification	Residential Address	Experience
Michael Henry Richardson	Director	June 8, 2005	Lawyer	Bel Air, Bel Air lane, St. Saviour, Jersey, JE2 7NL, Channel Islands	23 years
Peter Byrne	Director	May 26, 2005	Advocate	La Rosiere, Le Mont de la Rosiere,St. Saviour, Jersey, JE2 &HF, Channel Islands	16 years
Alfred Rodrigues	Director	May 26, 2005	B.Com	59 Bradbourne Park Road, Sevenoaks, Kent TN 13 3LH, United Kingdom	30 Years
Susan O'Connell Johnson	Director	May 26, 2005	Lawyer	14 East, 90th Street, Apartment 11C, Newyork 10128, USA	21 Years

3.2.3 Since CVCIJL was incorporated only on May 20, 2005, CVCIJL is yet to prepare any financial statements.

3.2.4 CVCIJL vide its letter dated June 15, 2005 has certified that it has complied with the provisions of Chapter II of SEBI Takeover Regulations.

3.2.5 CVCIJL has not held any equity shares in the paid up equity share capital of the Target Company at any time in the past.

3.3 Disclosure in terms of Regulation 16(ix)

The Acquirer undertakes not to sell, dispose of or otherwise encumber any substantial assets of the Target Company in the next two years, except with prior approval of the shareholders of the Target Company and in the ordinary course of the business. The investment by Acquirer in the paid up equity share capital of JBF is in the nature of financial investment in the ordinary course of business. Further, since there will not be any change in control and management of the company consequent to above mentioned acquisition, the Acquirer presently does not have any future plans for JBF as mentioned in Para No. 2.3.3 above.

4. BACKGROUND OF THE TARGET COMPANY

4.1 Address of the corporate and registered office with phone numbers.

Corporate Office : 8th Floor, Express Towers, Nariman Point, Mumbai -400 021
Tel: 022-22885959; Fax No:022-22886393

Registered office : Survey No.273, Village Athola, Silvassa, Dadra Nagar Haveli.

4.2 Brief History and major areas of operation.

The Target Company is a public limited company primarily engaged in the manufacture of inter alia Partially Oriented Yarn and Polyester Chips. JBF is promoted inter alia by Mr. B.C. Arya, an engineer with over three decades of experience in the textile industry, particularly in the field of synthetic yarn.

JBF has currently two lines of business activities, namely manufacture of polyester chips and POY:

POY Spinning

JBF started its operation in 1996 by first setting up facility to manufacture POY at Silvassa with an initial capacity of 18,000 tonnes p.a in technical collaboration from M/s Kohap of Korea. The current installed capacity of JBF is 60,000 tonnes p.a.

Polyester Chips

JBF set up Chips manufacturing facility adjacent to the POY manufacturing plant in Silvassa during FY2000-01 as a part of its backward integration strategy. The first line with a capacity of 110 tonnes per day which was commissioned in March 2001 and has a current capacity of 118,800 tonnes p.a. JBF also has a facility for production of Bottle Grade (PET) Chips to the extent of 10,800 tonnes p.a.

4.3 Location and details of operational manufacturing facilities

Location	Address
Silvassa, Union Territory	Survey No 273, Village Athola, Silvassa

4.4 Share Capital structure of the Target Company as on the date of the PA :-

Pre-Preferential Issue:

Paid-up Equity Shares	No of Shares / voting rights	% of Shares / voting rights
Fully paid up Equity Shares	31,023,300 equity shares of Rs.10/- each	100%
Partly Paid up Equity Shares	-	-
Total Paid up Equity Shares	31,023,300 equity shares of Rs.10/- each	100%
Total Voting Rights in JBF	31,023,300 voting rights	100%

Post- Preferential Issue

Paid-up Equity Shares	No of Shares / voting Rights	% of Shares / voting rights
Fully paid up Equity Shares	46,551,900 equity shares of Rs.10/- each	100%
Partly Paid up Equity Shares	-	-
Total Paid up Equity Shares	46,551,900 equity shares of Rs.10/- each	100%
Total Voting Rights in JBF	46,551,900 voting rights	100%

As on the date of the PA, the Target Company had no partly paid-up Equity Shares, no calls in arrears and no outstanding convertible debentures. The Target Company has 62,98,100 warrants outstanding, of which 10,56,760 warrants have been issued to CVCIGPML, 45,00,000 warrants have been issued to Mr. B.C. Arya, 4,50,000 warrants have been issued to Mr.Cheerag Arya, 2,90,000 warrants have been issued to Ms. Chinar Arya and 1,340 warrants have been issued to Ms. Veena Arya. Each warrant provides the holder with the option to subscribe to one fully paid-up equity share and the warrants are exercisable anytime upto 18 months from the date of allotment.

Further, after the PA, pursuant to the special resolution passed at the annual general meeting of the shareholders on the 28th October 2005, JBF has issued USD 3,45,00,000 1.75% convertible bonds which are convertible at any time, at the option of the bond holder on or after December 30, 2005 and prior to the close of business on November 1, 2010 into fully paid-up shares of JBF at an initial conversion price of Rs.90 per share (which price may, subject to the fulfillment of certain conditions, be reset to Rs. 81 and Rs. 72 on May 30, 2007 and May 30, 2008 respectively) with a fixed rate of exchange of Rs.45.75 per USD.

4.5 The capital structure of the Target Company as of the date of the PA, has been built up since inception, as certified by JBF in its letter dated June 28, 2005 as per the details given below:

			Shares issued		**Cumulative**	
Date of Allotment	**Mode of Allotment**	**Identity of Allottees**	**Number**	**%**	**Shares**	**Capital (Rs.)**
1983	Issue of shares	Promoters	380,000	1.22%	380,000	3,800,000
June 27,1986	Public Issue	Public	570,000	1.84%	950,000	9,500,000
January 1, 1988	Debenture Conversion	Public	1,000,000	3.22%	1,950,000	19,500,000
February 8, 1990	Debenture Conversion	Public	2,292,500	7.39%	4,242,500	42,425,000
September 22, 1992	Debenture Conversion	Public	8,280,800	26.69%	12,523,300	125,233,000
April 19, 1994	Private Placement	Promoters	6,500,000	20.95%	19,023,300	190,233,000
June 7, 1994	Private Placement	Promoters	2,000,000	6.45%	21,023,300	210,233,000
April 1, 1995	Private Placement	Bank of Madura	100,000	0.32%	21,123,300	211,233,000
—— “——-	Private Placement	Industrial Development Bank of India	2,352,940	7.58%	23,476,240	234,762,400
—— “——-	Private Placement	Industrial Investment Bank of India	200,000	0.64%	23,676,240	236,762,400
—— “——-	Private Placement	State Bank of Bikaner and Jaipur	73,000	0.24%	23,749,240	237,492,400
—— “——-	Private Placement	Bank of Baroda	1,230,000	3.96%	24,979,240	249,792,400
—— “——-	Private Placement	Taurus Mutual Fund	200,000	0.64%	25,179,240	251,792,400
—— “——-	Private Placement	Life Insurance Corporation of India	1,600,000	5.16%	26,779,240	267,792,400

—— "——-	Private Placement	LIC Mutual Fund	1,000,000	3.22%	27,779,240	277,792,400
—— "——-	Private Placement	Punjab National Bank	200,000	0.64%	27,979,240	279,792,400
—— "——-	Private Placement	Lloyds Equities & Debenture Ltd.	1,044,060	3.37%	29,023,300	290,233,000
—— "——-	Private Placement	Unit Trust Of India	2,000,000	6.45%	31,023,300	310,233,000
June 10, 2005	Preferential Allotment	CVCIGPML	11,950,000	25.67%	42,973,300	429,733,000
—— "——-	Preferential Allotment	IL&FS-LIF	3,441,000	7.39%	46,414,300	464,143,000
—— "——-	Preferential Allotment	IVC-EWT	68,800	0.15%	46,483,100	464,831,000
—— "——-	Preferential Allotment	IL&FS-EWT	68,800	0.15%	46,551,900	465,519,000
		Total		**100.00%**	**46,551,900**	**465,519,000**

4.6 Equity Shares of JBF are presently listed on The Stock Exchange, Mumbai ("BSE"), on the National Stock Exchange ("NSE") and the Calcutta Stock Exchange ("CSE"). Based on the information available, the Equity Shares of JBF are frequently traded on BSE and NSE and are not frequently traded on CSE.

4.7 The Target Company, pursuant to a Resolution passed by the Directors in their meeting held on May 19, 2004 and Special Resolution passed by the shareholders in the Annual General Meeting held on August 14, 2004 filed applications dated January 17, 2005, January 11, 2005 and January 19, 2005 with the Stock Exchanges at (a) Chennai, (b) Delhi and (c) Kolkatta seeking delisting of shares from these Stock Exchanges in terms of voluntary delisting as per the procedure in terms of SEBI [Delisting of Securities] Guidelines, 2003. Madras Stock Exchange, vide their letter dated February 16, 2005 informed the Target Company that the Equity Shares of the Target Company were delisted from the Exchange with effect from February 16, 2005. Further, the Delhi Stock Exchange, vide their letter dated February 26, 2005 also informed the Target Company that the Equity Shares of the Target Company were delisted from the Exchange with effect from March 1, 2005. The approval from Calcutta Stock Exchange for delisting of shares is still awaited.

4.8 All the equity shares of the Company are listed on the Stock Exchanges except for 1,55,28,600 equity shares issued to CVCIGPML and IL&FS Private Equity Trust-Leverage India Fund, IVC Employee Welfare Trust and IL&FS Employee Welfare Trust by way of Preferential Allotment on June 10, 2005. BSE vide its letter dated June 7, 2005 and NSE vide its letter dated June 9, 2005 has given its in-principle approval for the listing of the aforementioned 1,55,28,600 equity shares.

4.9 JBF vide its letter dated June 14, 2005 has certified that (a) the trading in the equity shares of the Company was not suspended any time in the past in any of the Stock Exchanges and (b) there have not been any listing agreement violations in the past.

4.10 The Board of Director on June 10, 2005 have allotted 52,41,340 Warrants to the Promoter and 10,56,760 Warrants to CVCIGPML which are convertible into 52,41,340 Equity Shares and 10,56,760 Equity Shares respectively (aggregating to total of 62,98,100 Equity Shares) at an exercise price of Rs.46.50/- per Warrant within a period of 18 (Eighteen) Months from the date of allotment of Warrants. These outstanding warrants have been taken into consideration for determining 20% of the Likely Diluted Paid-up Equity Share Capital of the Target Company, in terms of Regulation 21(5) of Takeover Regulations which provides that, the voting rights as at the expiration of 15 days after the closure of the public offer shall be reckoned for this purpose. Other than these, as of the date of the PA, there were no outstanding warrants or other convertible instruments in the books of the Target Company.

4.11 Status of compliance with the provisions of Chapter II of the Takeover Regulations:

- Securities and Exchange Board of India [Substantial Acquisition of Shares and Takeovers] Regulations, 1997 came into force on February 20, 1997. The Company did not comply with the Regulation 6(2), 6(4) and 8(3) under transitional provisions and continual disclosure requirements of Chapter II of the Regulations in the years 1997, 1998, 1999, 2000 and 2001 due to lack of understanding of the applicability of the said Regulations. However, the Company made the requisite disclosures to Stock Exchanges vide letter dated on December 6, 2002 for Regulation 6 and Regulation 8 under SEBI Regularization Scheme 2002. But the Company failed to mention in the aforesaid letter that they wanted to opt for SEBI Regularization Scheme 2002. SEBI vide letter dated July 21, 2004 asked JBF to pay a penalty of Rs.1,75,000 under Section 15A of the SEBI Act. JBF have agreed to pay the penalty and have given their letter of Settlement by Consent Order dated September 27, 2004.
- The Company was late by seventy-five days and thirteen days in complying with Regulation 8(3) for the year ended March 31, 2002 and March 31, 2004 respectively due to company's administrative problems.

Except for the above, the Company has been complying with the applicable provisions of Chapter II of SEBI Takeover Regulations within the time specified in the Regulations.

4.12 The composition of the Board of Directors was as follows:

Names	Designation	Date of Appt.	Qualification	Residential Address	Experience
Bhagirath Arya	Chairman	August 10, 1983	B.E.	Sagar Kunj, 78, Napeansea Road Mumbai- 400 006	30 Years
Rakesh Gothi	Managing Director	January 1, 1997	B.Tech, MS, MBA (USA)	A/3, Lanu Villa, 79-B, Tagore Road, Santacruz (W), Mumbai-400 054	26 Years
Veena Arya	Director	2001	M.A.	B-2, Rizvi Park, Altamount Road, Mumbai- 400 026	16 Years
P N Thakore	Executive Director	January 1, 1997	B.Sc, FCA, AICWA	302-AB, Kandarpada Road, Dahisar (W) Mumbai-400 068	24 Years
N K Shah	Executive Director	December 12,2000	M.Sc	G-2&3, Sunlight Apartments, Haria Park, Silvassa Road, Vapi	20 Years
Prakash Mehta	Director	November 29, 2003	L.L.B	123,Maker Towers A, Cuffe Parade, Mumbai-400 005	39 Years
Krishen Dev	Director	June 14, 2002	B.Tech (Hons)	Plot No.16, Pallod Farm IV, Baner, Pune 411 045	43 Years
Sadanand Pandey	Nominee (LIC)	December 12, 2000	M.A.	B-3/5, Jeevan Shanti Colony, S. V. Road, Santacruz (W), Mumbai –400 054	37 Years
B R Gupta	Director	November 29, 2003	M.A (English), LL.B	6/B, Sheetal Apartment, Lokhandwala, Andheri (W), Mumbai – 400 091	35 Years
S V Haribhakti	Additional Director	November 29, 2003	FCA	7 Firdos, 4th Floor, Bhulabhai Desai Road, Mumbai- 400 028	24 Years
Deepa Sankaran	Nominee (IL&FS)	August 12, 2005	B.Com, SMP - IIM (Calcutta)	56, A Band Stand Building, Kane Road, Mumbai - 400 050	11 Years

As on the date of the Public Announcement, the Acquirer and PAC do not have any representatives on the Board of Directors.

4.13 There has been no merger/ demerger/ spin off involving JBF in the last three years.

4.14 Details of change in name of the Target Company since incorporation:

Date	Change in name
12th July, 1982	Target Company incorporated under the name of 'JBF Synthetics Private Limited'
2nd January, 1986	Name of the Target Company changed to 'JBF Synthetics Limited'
7th February, 1989	Name of the Target Company changed to 'JBF Industries Limited'

4.15 Brief audited financial details of JBF are as under (not prior to more than six months from the date of the PA).

(Rs. In Lacs)

	Year Ended		
	31-Mar-05	31-Mar-04	31-Mar-03
Profit and Loss Statement			
Income from Operations	73,592.77	53,530.65	40,857.93
Other Income	246.33	128.40	143.37
Total Income	73,839.10	53,659.05	41,001.30
Total Expenditure	64,543.52	44,355.15	36,365.50
Profit before interest, depreciation, impairment and tax	9,295.58	9,302.90	4,635.80
Depreciation and impairment	2,435.66	2,195.40	1,999.17
Interest and finance charges	1,825.77	2,368.45	1,849.63
Profit before tax	5,034.16	4,740.05	787.00
Provision for taxation	2,109.90	2,003.01	335.00
Profit after tax	2,924.26	2,737.04	452.00
Balance Sheet			
Sources of funds			
Paid up share capital	3,102.33	3,102.33	3,102.33
Reserves and Surplus (excluding revaluation reserves)	16,440.84	14,508.86	12,542.78
Networth	19,543.17	17,611.19	15,645.11
Secured Loans	11,182.64	14,512.56	17,203.38
Unsecured Loans	4,231.81	412.01	942.12
Deferred Tax Liability (Net)	4,964.17	3,228.62	1,590.00
Total	39,921.79	35,764.38	35,380.61
Uses of funds			
Net Fixed Assets	33,209.75	33,717.05	32,354.07
Investments	21.70	45.31	46.81
Net Current Assets	6,690.34	2,002.02	2,975.76
Total Miscellaneous Expenditure Not Written Off	0.00	0.00	3.97
Total	39,921.79	35,764.38	35,380.61
Other Financial Data			
Dividend (%)	20.00	20.00	0.00
Earning Per Share	9.43	8.82	1.46
Return on Networth (%)	14.96	15.54	2.89
Book Value Per Share	63.00	56.77	50.42

Brief financial details of JBF, for the half year ended September 30, 2005, reviewed by the Statutory Auditors are as under:

(Rs. In Lacs)

Profit and Loss Statement	**Half Year Ended 30-Sep-05**
Income from Operations	37,072
Other Income	83
Total Income	37,155
Total Expenditure	32,051
Profit before interest, depreciation, impairment and tax	5,243
Depreciation and impairment	1,141
Interest and finance charges	658
Profit before tax	3,444
Provision for taxation	1,486
Profit after tax	1,956
Earning Per Share (not annualized) in Rs.	4.49

Reasons For Fall/Rise In Total Income And Profit After Tax

FY 2005

- In value terms, JBF's total income rose 38% to Rs. 73,839 lacs from Rs. 53,659 lacs in the previous year. The increased income was on account of on account of a 56% volume growth in sales of polyester chips and 9% volume growth in sales of POY. Sales price per ton also expanded 23% for polyester chips and 5% for POY.
- The Profit after tax increased by 7% from Rs.2,737 lacs in FY 2004 to Rs.2,924 lacs, driven by increased sales which were offset by 26% rise in raw material prices of POY.

FY 2004

- In value terms, JBF's total income rose 31 % to Rs.53,659 lacs from Rs.41,001 lacs in the previous year due to improved sales performance and operating margins.
- The Profit after tax increased by 506% from Rs.452 lacs in FY 2003 to Rs.2,737 lacs as a result of sharp increase in per ton margins of POY.

FY 2003

- In value terms, JBF's total income rose 16 % to Rs.41,001 lacs from Rs.35,342 lacs (excluding inter-unit sales) in the previous year as a result of improved operating margins with the help of timely expansion in the manufacturing capacity of polyester chips and POY.
- In this year the Company registered a net profit of Rs. 452 lacs as compared to a net loss of Rs.1,262 lacs in FY 2002 largely aided by reduction of duties from 38.6% to 28.6 % on polyester yarn.

Significant Accounting policies:

A. General

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

B. Use of estimate

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

C. Fixed Assets

Fixed assets are stated at cost of acquisition or construction, net of cenvat, less accumulated depreciation and impairment loss if any. All costs, including finance cost till commencement of commercial production, net charges of forward exchange contracts and adjustments arising from exchange rate variation attributable to fixed assets are capitalised.

D. Assets taken on lease

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

E. Intangible Assets

Intangible assets are stated at cost of acquisition less accumulated amortization and impairment loss, if any. Computer Software is amortized over the useful life or period of five years whichever is less.

F. Depreciation

i. Depreciation is provided on straight line method at the rates and in the manner prescribed in Schedule XIV, of the Companies Act 1956.

ii. Depreciation on addition / deletion during the year has been provided on prorata basis succeeding to the month of addition / deletion.

iii. No amortization has been made in respect of premium paid for the lease hold land, since grant of lease is for a long period.

iv. Depreciation has been provided over the residual life of the respective fixed assets for additions arising on account of translation of foreign currency liabilities, insurance spares and on additions or extensions forming an integral part of existing plants.

G. Impairment of Assets

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

H. Investments

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

I. Inventories

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

J. Transaction in foreign currency

i. Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.

ii. Monetary items denominated in foreign currencies at the year and are restated at year end rates. In case of those items, which are covered by forward exchange contracts, the difference between the year end rate and spot rate on the date of the contract is recognised as exchange difference in the profit and loss account and the premium paid on forward contracts has been recognised over the life of the contract

iii. Non- monetary foreign currency items are carried at cost.

iv. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and loss account except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

K. Turnover

Turnover includes sale of goods, waste, service charges, export incentive and excise duty and sales during trial run period and are net of discounts and claims.

L. Borrowing Cost

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

M. Customs

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

N. Import Entitlement

Benefit on account of entitlement to import duty free materials under the "Duty Exemption Pass Book Scheme" is accounted in the year of export.

O. Employee Retirement Benefits

Contribution to Provident and other funds are charged to Profit and Loss Account on actual basis and Provision for gratuity and leave encashment benefits are charged to Profit & Loss account on the basis of actuarial valuation as at the year end.

P. Provision for current and deferred tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.

Q. Provision, Contingent Liabilities And Contingent Assets

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

Contingent Liabilities as on March 31, 2005

(Rs. In Lacs)

	Year ended	
Contingent Liabilities :	31.03.05	31.03.04
Bills discounted	88.89	73.02
Penal interest waived by banks on debt restructuring subject to compliance of terms & conditions	124.28	124.28
Guarantees issued by the Bankers	264.86	301.62
Corporate Guarantee to Bankers	-	135.00
Claims against the Company not acknowledged as debts.	-	8.00
Disputed liabilities in appeal :		
Sales Tax	-	12.35
Excise Duty	-	12.54

4.16 **Pre and Post Offer Shareholding Pattern based on the Existing Equity Share Capital in the format prescribed by SEBI :**

Shareholder Category	Shareholding / voting rights prior to agreement / acquisition and Offer (as on Date) (A)		Shares / Voting Rights to be acquired which triggered off Takeover Regulations		Share / Voting Rights to be acquired in the Offer (assuming full acceptance)		Shareholder / Voting rights after the acquisition and offer	
	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%
1. **Promoter Group**								
(a) Parties to agreement, if any	15,670,272	50.51					15,670,272	33.66
(b) Promoters other than (a) above								
2. **Acquirer**								
CVCIGPML			11,950,000	25.67	1,05,70,000	22.71	2,25,20,000	48.38
3. **Parties to the agreement other than (1) (a) and (2) above**								
4. **Public (other than parties to agreement Acquirer and PAC)**								
(a) Banks, Financial Institutions, Insurance Companies								
IL&FS –LIF							3,441,000	
IVC –EWT							68,800	
IL&FS –EWT							68,800	
(b) Other Banks, Financial Institutions, Insurance Companies	7,046,419	22.71						
(c) Indian Public	8,230,939	26.53						17.96
(d) Others Private Corporate Bodies NRIs/ OCBs	27,931	0.09					47,83,028	
Trust								
Foreign Nationals	47,739	0.15						
Sub Total (d)								
Total (4)	15,353,028	49.49						
Total (1 to 4)	31,023,300	100.00	11,950,000	25.67	1,05,70,000	22.71	46,551,900	100.00

Pre and Post Offer Shareholding Pattern based on the Likely Diluted Paid-up Equity Share Capital in the format prescribed by SEBI:

Shareholder Category	Shareholding / voting rights prior to agreement / acquisition and Offer (as on P A Date) (A)		Shares / Voting Rights to be acquired which triggered off Takeover Regulations		Share / Voting Rights to be acquired in the Offer (assuming full acceptance)		Shareholder / Voting rights after the acquisition and offer (assuming full conversion of all warrants)	
	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%
1. Promoter Group								
(a) Parties to agreement, if any	15,670,272	50.51					2,09,11,612	39.57
(b) Promoters other than (a) above								
2. Acquirer								
CVCIGPML			11,950,000	22.61	1,05,70,000	20.00	2,35,76,760	44.61
3. Parties to the agreement other than (1) (a) and (2) above								
4. Public (other than parties to agreement Acquirer and PAC)								
(a) Banks, Financial Institutions, Insurance Companies								
IL&FS -LIF							3,441,000	
IVC –EWT							68,800	
IL&FS -EWT							68,800	
(b) Other Banks, Financial Institutions, Insurance Companies	7,046,419	22.71						
(c) Indian Public	8,230,939	26.53						
(d) Others Private Corporate Bodies							47,83,028	15.82
NRIs/OCBs Trust	27,931	0.09						
Foreign Nationals	47,739	0.15						
Sub Total (d)								
Total (4)	15,353,028	49.49						
Total (1 to 4)	31,023,300	100.0	11,950,000	22.61	1,05,70,000	20.00	5,28,50,000	100.00

4.17 The Acquirer/PAC have not acquired any equity shares of JBF from the date of Public Announcement till the date of this Letter of Offer.

4.18 The details of the changes in the Promoter's shareholding from the date of the Takeover Regulations coming into force to date are set out below. The provisions of the Takeover Regulations were not applicable to such changes.

Promoters Holding as on	No. Of Shares
March 31, 1998	12,480,878
March 31, 1999	13,330,678
March 31, 2000	13,702,064
March 31, 2001	13,840,429
March 31, 2002	14,526,595
March 31, 2003	15,630,224
March 31, 2004	15,562,662
March 31, 2005	15,670,272

4.19 Corporate Governance: Mr.R. Koria, Partner, of M/s. Chaturvedi & Shah Chartered Accountants, the Statutory Auditors of the Target Company, vide their Report on Corporate Governance dated May 12, 2005 which formed part of the Annual Report for the year ended March 31, 2005 confirmed that (a) they have examined the compliance of conditions of corporate governance by the Target Company for the year ended March 31, 2005 as stipulated in Clause No. 49 of the Listing Agreement, (b) The Target Company has complied with the conditions of corporate governance as stipulated in the Listing Agreement, (c) In respect of shareholders grievances received during the year ended March 31, 2005, no shareholders grievances are pending against the company for a period exceeding one month as per the records maintained by the Target Company which are presented to Shareholders Grievances Committee and (d) Such compliance is neither an assurance as to future viability of the Target Company nor the efficiency or effectiveness with which management has conducted the affairs of the Target Company.

4.20 The Target Company has appointed Ms. Ujjwala Apte, Company Secretary as the Compliance Officer and her Residential Address is 210, Lady Jamshedji Road, Mahim, Mumbai - 400 016. Tel. : 022-22885959; Fax No. : 022-22886393

4.21 The Target Company vide its letter dated June 14, 2005 has confirmed that it has complied with listing requirements as of date and none of the Stock Exchanges has taken any penal action against the Target Company.

4.22 JBF has not received any directions from SEBI under Section 11B of the SEBI Act, prohibiting them from dealing in securities or under any of the regulations made under the SEBI Act.

5. OFFER PRICE AND FINANCIAL ARRANGEMENTS

5.1 Justification of Offer Price

5.1.1 Equity Shares of JBF are presently listed on The Stock Exchange, Mumbai (“BSE”), National Stock Exchange (“NSE”) and Calcutta Stock Exchange (‘CSE”). Equity Shares of JBF are frequently traded on BSE and NSE and are infrequently traded on CSE. JBF shares got listed on BSE on August 26, 1986 and NSE on February 25, 2004.

5.1.2 The details of the annualized trading turnover (trading volumes) on the NSE, the BSE, and the CSE for the 26 week period ending April 26, 2005 i.e. the date preceding the date of Board Resolution authorising the preferential allotment of equity shares to the Acquirer are as follows:

Stock Exchanges	Total shares traded	Total No. of listed shares prior to Preferential Allotment	Annualised trading turnover as a % of total number of listed shares
NSE	12,243,514	31,023,300	78.93 %
BSE	7,528,594	31,023,300	48.54 %
CSE	0	31,023,300	0%

(Source: Derived from data available from the official website of BSE – www.bseindia.com and the official website of NSE - www.nseindia.com and CSE Certificate)

JBF has applied for the voluntary delisting of its shares from the Calcutta Stock Exchange on January 19, 2005 and their reply is awaited. As the annualised trading turnover on NSE and BSE is more than 5 % of the total number of listed shares, the shares of JBF are deemed to be "frequently traded" on NSE and BSE and are not frequently traded on the CSE, in terms of Explanation (i) to Regulation 20(5) of Takeover Regulations

National Stock Exchange – NSE

5.1.3 Following are the weekly high and low of the closing prices and volume of trade for the 26 week period ending April 26, 2005 i.e. the last trading day preceding the date of Board Resolution authorizing the preferential allotment of equity shares to the Acquirer:

Week No.	Week Ending	Weekly High	Weekly Low	High/Low Average	Volume
1	2-Nov-04	40.65	38.85	39.75	179,501
2	9-Nov-04	42.05	40.05	41.05	319,669
3	16-Nov-04	43.45	41.65	42.55	258,409
4	23-Nov-04	45.70	43.80	44.75	981,006
5	30-Nov-04	51.35	47.25	49.30	1,750,582
6	7-Dec-04	51.45	48.25	49.85	1,080,535
7	14-Dec-04	55.20	48.05	51.63	1,105,727
8	21-Dec-04	52.75	51.65	52.20	593,861
9	28-Dec-04	56.20	53.20	54.70	1,151,272
10	4-Jan-05	55.25	52.30	53.78	641,473
11	11-Jan-05	51.00	47.80	49.40	373,679
12	18-Jan-05	45.60	42.90	44.25	291,009
13	25-Jan-05	43.85	42.55	43.20	95,699
14	1-Feb-05	46.40	44.45	45.43	127,342
15	8-Feb-05	47.00	43.45	45.23	230,425
16	15-Feb-05	47.25	45.80	46.53	241,862
17	22-Feb-05	44.85	42.80	43.83	149,870
18	1-Mar-05	46.40	43.65	45.03	386,353
19	8-Mar-05	44.75	44.10	44.43	245,117
20	15-Mar-05	44.95	42.45	43.70	337,532
21	22-Mar-05	46.50	43.05	44.78	510,101
22	29-Mar-05	42.50	40.00	41.25	103,420
23	5-Apr-05	47.65	38.30	42.98	344,413
24	12-Apr-05	49.90	46.15	48.03	361,282
25	19-Apr-05	47.30	45.15	46.23	114,164
26	26-Apr-05	44.20	42.85	43.53	269,211
				Total	**12,243,514**
26 Weeks Average Price					46.05
Annualised Volume					24,487,028
Voting shares					31,023,300
Percentage of Voting Shares					78.93%

(Source: www.nseindia.com)

Following are the daily high and low of the prices and volume of trade for the 2 week period ending April 26, 2005 i.e. being the last trading day preceding the date of Board Resolution authorizing the preferential allotment of equity shares to the Acquirer:

Day No.	Date	Daily High (Rs.)	Daily Low (Rs.)	Daily Average	Volume
1	13-Apr-05	49.35	47.00	48.18	32,642
2	15-Apr-05	47.30	45.80	46.55	35,029
3	18-Apr-05	46.50	45.00	45.75	22,128
4	19-Apr-05	47.50	44.50	46.00	24,365
5	20-Apr-05	46.45	43.00	44.73	23,642
6	21-Apr-05	44.90	43.50	44.20	69,269
7	22-Apr-05	45.20	43.50	44.35	33,465
8	25-Apr-05	47.65	42.95	45.30	68,438
9	26-Apr-05	44.00	42.75	43.38	74,397
Average of two weeks daily high and low Rs.45.38					

(Source www.nseindia.com)

Bombay Stock Exchange - BSE

Following are the weekly high and low of the closing prices and volume data for the 26 week period ended on April 26, 2005 i.e. the date preceding the date of Board Resolution which authorised the preferential allotment:

Week No.	Week Ending	Weekly High	Weekly Low	High/Low Average	Volume
1	2-Nov-04	40.50	38.95	39.73	140,999
2	9-Nov-04	42.15	40.05	41.10	138,362
3	16-Nov-04	43.50	41.75	42.63	228,480
4	23-Nov-04	45.60	43.75	44.68	760,716
5	30-Nov-04	51.35	46.95	49.15	1,414,251
6	7-Dec-04	51.35	48.15	49.75	610,109
7	14-Dec-04	55.10	48.05	51.58	649,742
8	21-Dec-04	52.45	51.50	51.98	313,346
9	28-Dec-04	56.30	53.10	54.70	592,878
10	4-Jan-05	54.80	52.45	53.63	258,296
11	11-Jan-05	51.30	48.15	49.73	151,556
12	18-Jan-05	45.65	43.60	44.63	106,842
13	25-Jan-05	44.15	42.95	43.55	51,527
14	1-Feb-05	46.55	44.30	45.43	67,699
15	8-Feb-05	46.80	43.60	45.20	123,612
16	15-Feb-05	47.35	45.45	46.40	119,690
17	22-Feb-05	45.10	43.00	44.05	59,150
18	1-Mar-05	46.50	43.60	45.05	236,032
19	8-Mar-05	44.55	44.20	44.38	140,174

20	15-Mar-05	44.85	42.70	43.78	201,559
21	22-Mar-05	46.50	43.45	44.98	349,605
22	29-Mar-05	43.00	40.80	41.90	65,070
23	5-Apr-05	47.80	40.25	44.03	277,994
24	12-Apr-05	49.80	46.50	48.15	207,157
25	19-Apr-05	47.50	45.05	46.28	92,372
26	26-Apr-05	44.35	42.95	43.65	171,376
				Total	7,528,594
26 Weeks Average Price			Rs.46.16		
Annualised Volume			15,057,188		
Voting shares			31,023,300		
Percentage			48.54%		

(Source: www.bseindia.com.)

Following are the price and volume data for the 2 week period ended on April 26, 2005 i.e. the date preceding the date of Board Resolution which authorised the preferential allotment:

Day No.	Dates	Daily High (Rs.)	Daily Low (Rs.)	Daily Average	Volume
1	13-Apr-05	49.50	47.25	48.38	31,663
2	15-Apr-05	47.45	45.75	46.60	17,112
3	18-Apr-05	46.70	45.00	45.85	20,313
4	19-Apr-05	47.00	44.65	45.83	23,284
5	20-Apr-05	46.00	43.50	44.75	11,079
6	21-Apr-05	45.00	43.60	44.30	17,170
7	22-Apr-05	45.00	43.55	44.28	42,769
8	25-Apr-05	44.80	42.80	43.80	54,233
9	26-Apr-05	44.00	42.70	43.35	46,125
Average of two weeks daily high and low Rs.45.24					

(Source: www.bseindia.com)

5.1.4 As per Reg. 20 (4) of the Takeover Regulations, the following facts were taken into account in determining the Offer Price:

A. The negotiated price as per Investment Agreement dated June 10, 2005 for acquisition of shares or voting rights.	Rs. 46.50
B. The highest price paid by the Acquirer or PAC for acquisitions, if any, including by way of allotment in a public or rights or preferential issue, during the 26 week period prior to the date of Public Announcement i.e. June 15, 2005	Rs. 46.50
C. Average of the weekly high and low of the closing prices of JBF as quoted as NSE where the Equity Shares are most frequently traded during the 26 weeks ending on 26th April, 2005, preceding the date of Board Resolution authorizing the preferential allotment of equity shares to the Acquirer i.e. April 27,2005	Rs. 46.05

D.	Average of the weekly high and low of the closing prices of JBF as quoted on BSE where the Equity Shares are also frequently traded during the 26 weeks preceding the date of Board Resolution authorizing the preferential allotment i.e. April 27,2005	Rs.46.16
E.	Average of the daily high and low prices of JBF as quoted on NSE where the Equity Shares are most frequently traded during the 2 weeks ending on 26th April, 2005, preceding the date of Board Resolution authorizing the preferential allotment of equity shares to the Acquirer i.e. April 27,2005	Rs. 45.38
F.	Average of the daily high and low prices of JBF as quoted on BSE where the Equity Shares are also frequently traded during the 2 weeks preceding the date of Board Resolution authorizing the preferential allotment i.e. April 27,2005	Rs.45.24

F. Other Parameters:

The financial parameters based on the FY2005 results of JBF are Return on Networth of 14.96%; Book Value of Rs.63 and P/BV Multiple of 0.74 as against a Industry P/BV Multiple (based on profit making manmade fibre textile companies as on April 27, 2005) of 0.68; Earnings per Share of Rs.9.43 and P/E Multiple of 4.93x (based on the Offer Price) as against a Industry P/E Multiple of 8.89x (based on profit making manmade fibre textile companies as on April 27, 2005). The peer set is not exactly comparable on account of a different product mix.

Nikhil Porwal, Partner, Porwal & Porwal, Chartered Accountants, 214, Marine Chambers, 11 New Marine Lines, Mumbai 400 020 Membership No.49610 has, vide their certificate dated June 14, 2005 certified, that based on the last audited balance sheet of FY2004 available on April 27, 2005, the Net Asset Value works out to Rs.56.77, PECV works out to Rs. 37.51 and the Market Value works out to Rs.46.05. Considering the Supreme Court decision in the Hindustan Lever Employee Union Vs Hindustan Lever Limited, (1995) (83 Com Case 30), weightages of 1, 2 and 2 have been applied respectively to the 3 methodologies and the pre-preferential fair price accordingly works out to Rs.44.78 per equity share.

5.1.5 In view of the above, the Offer Price in terms of Regulation 20 of the Takeover Regulations is justified.

5.1.6 If the Acquirer acquires equity shares after the date of the Public Announcement and up to seven working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price will be payable for all acceptances received under this Offer as per Regulation 20 (7) of the Takeover Regulations.

5.2 Financial Arrangements

5.2.1 The Acquirer has adequate resources to meet the financial requirements in terms of the Takeover Regulations and has made firm financial arrangements to meet its obligations in full under the Offer. For this purpose the Acquirer intends to utilise its own resources.

5.2.2 The total amount of funds requirement for the Offer is estimated at Rs. 49,15,05,000/-(Rupees Forty Nine crore fifteen lacs five thousand only) assuming full acceptance of the Offer. Pursuant to the receipt of the approval from the RBI vide their letter No.FE.C.FUD.8446/ 10.1.07.02.200(665)/2004-05 dated June 10 2005, the Acquirer has opened a Cash Escrow Account with Citibank N.A, 293, D N Road, Fort, Mumbai – 400 001 under the name and style of '**CVCIGPML – JBF Escrow A/c**' and subsequently deposited a sum of Rs.12,28,76,250/- (Rupees Twelve crores twenty eight lacs seventy six thousand two hundred fifty) being 25 % of the total purchase consideration in accordance with Regulation 28 (10) of the Takeover Regulations.

5.2.3 The Acquirer has empowered the Manager to the Offer to realize the value in the account maintained with Citibank N.A. in accordance with the Takeover Regulations.

5.2.4 Nikhil Porwal, Partner, Porwal & Porwal, Chartered Accountants, 214, Marine Chambers, 11 New Marine Lines, Mumbai 400 020 Membership No.49610 Telephone No.022-22070174 Fax- 022-22070172 vide their letter dated June 14, 2005 and letter dated March 2, 2006 have confirmed that based on the loan assistance extended by the GP to the PAC with the objective of capitalizing the Acquirer and the availability of the escrow amount, the Acquirer will have the requisite funds available to meet the financial obligations for the Offer. Based on the Chartered Accountant's certificate, the Manager to the Offer confirms that firm arrangements for funds and money for payment through verifiable means are in place to fulfill the Offer obligations. The Merchant Banker to the Offer has satisfied himself about the ability of the Acquirer to implement the Offer in accordance with the Takeover Regulations.

6. TERMS AND CONDITIONS OF THE OFFER

6.1 The Offer is being made by the Acquirer/ PAC to (a) all the remaining equity shareholders of JBF whose names appeared in the Register of Members as on Friday, June 24, 2005 i.e. the Specified Date, (except parties to IA i.e. (i) the Acquirer and (ii) the Promoters [as defined therein)](b) beneficial owners of the equity shares of JBF, whose names appeared as beneficiaries on the records of the respective Depositories, at the close of business hours on Friday, June 24, 2005 i.e. the Specified Date and (c) to those persons who own the equity shares of JBF any time prior to the date of the closure of the Offer i.e. Wednesday, March 29, 2006 but who are not the registered Shareholders of JBF, pursuant to Takeover Regulations.

6.2 The Offer is not subject to any minimum level of acceptance.

6.3 The Offer will open on Friday, March 10, 2006 and close on Wednesday, March 29, 2006.

6.4 **Shareholders who have accepted the Offer by tendering the requisite documents in terms of the Public Announcement /Revised Public Announcement/ Letter of Offer can withdraw the same upto three working days prior to the date of the closure of the Offer i.e. they can withdraw upto Friday, March 24, 2006.**

6.5 The instructions, authorisations and provisions contained in the Acceptance Form constitute an integral part of the terms of this Offer.

6.6 Each Shareholder of JBF to whom this Offer is being made is free to offer his shareholding in JBF in whole or in part while accepting the Offer. However, parties to IA i.e. (a) Acquirer and (b) Promoters as defined therein are not eligible to tender their shares under the Offer.

6.7 The shares will be acquired by the Acquirer, free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared thereafter.

6.8 Statutory Approvals :

The Offer is subject to the Acquirer obtaining all necessary approvals including from the RBI under the Foreign Exchange Management Act, 1999 as also requisite approvals from the BSE and the NSE for the listing of the shares acquired pursuant to the preferential allotment. The FIPB vide its letter dated July 6, 2005 has advised that the acquisition of equity shares representing 20% of the post issue-fully diluted equity capital of JBF Industries Ltd. falls under the General Permission route of the RBI and that the same is to be followed. As at the date of this Letter of Offer, to the best of the knowledge of the Acquirer and the PAC no other statutory / other approvals are required for the Offer. However the Offer will be subject to all the statutory approvals that may be applicable.

Where the Acquirer fails to obtain the requisite approvals in time on account of willful default or neglect or inaction or non-action on their part, the amount lying in the escrow account shall be liable to be forfeited and dealt with in the manner provided in Regulation 28(12)(e) of SEBI Takeover Regulations, apart from the Acquirer being liable for penalty as provided in the Takeover Regulations.

Barring unforeseen circumstances, the Acquirer would endeavour to obtain all the approvals by Thursday, April 13, 2006.

6.9 The Acquirer will within a period of **45 days** of the closure of the Offer inform the Stock Exchanges and SEBI as to level of acceptance received thereof.

6.10 The acceptance of the Offer of the Acquirer is entirely at the discretion of the equity shareholders of JBF. The Acquirer will not be responsible for any loss of equity share certificate(s) and Offer acceptance documents during transit and the equity shareholders of JBF are advised to adequately safeguard their interests in this regard.

6.11 In the case of shares acquired from non-resident shareholders, the Acquirer will not be responsible for any fall in the value of the Rupee due to any fluctuation in the foreign exchange market on account of delay in the approval.

6.12 Accidental omission to dispatch this Letter of Offer to any person to whom this Offer has been made to or non-receipt of this Offer by any such person shall not invalidate the Offer in any way.

6.13 The acceptance must be unconditional and should be sent with the attached form duly filled in, signed by the applicant shareholder(s), which should be received by the Registrars to the Offer at the address mentioned in Para No. 7.11 on or before Wednesday, March 29, 2006. If any change or modification is made, the acceptance is liable to be rejected.

6.14 Expenses relating to the Offer will be borne by the Acquirer.

6.15. The Acquirer reserve the right of upward revision of (a) price and (b) number of Shares to be acquired at any time up to 7 working days prior (i.e. upto Monday, March 20, 2006) to the closure of the Offer as per Regulation 26 of Takeover Regulations. The same price would be paid by the Acquirer for all the shares tendered any time during the Offer and accepted under the Offer. The information about such revision(s), if any, would appear in the same newspapers in which Public Announcement has appeared.

6.16. There shall be no discrimination in the acceptance of locked-in shares and non-locked in shares. Locked-in shares can be transferred to the Acquirer subject to continuation of the residual lock-in period in the hands of the Acquirer.

7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

7.1 The Shareholders, who wish to avail of and accept this Offer should deliver the documents mentioned below by Registered Post with acknowledgement due or in person or by courier, so as to reach the Registrar to the Offer or the Registrar's Collection Centers at the addresses mentioned in section 7.11 **before 5 pm Indian Standard Time on** Wednesday, March 29, 2006. Shareholders are advised to ensure that the Form of Acceptance-cum-Acknowledgement and other documents are complete in all respects otherwise the same is liable to be rejected. In the case of dematerialized shares, the shareholders are advised to ensure that their shares are credited in favour of the special depository account, before the close of the Offer. The Form Acceptance-cum-Acknowledgment of such dematerialised shares not credited in favour of the special depository account before the close of the Offer is liable to be rejected.

7.2 **Documents to be delivered by all Shareholders**

- For shares held in the DEMATERIALIZED FORM

  (i) Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein by all the beneficial holders of the shares, as per the records of the Depository Participant ("DP").

  (ii) Photocopy of the Delivery Instruction in "Off-market" mode or counterfoil of the delivery instruction slip in "Off-market" mode, duly acknowledged by the Depository Participant ('DP'). The details of the special depository account, "MCS Limited-Escrow Account-JBF Open Offer" are as follows : DP Name - HDFC Bank Limited, DP ID No - IN301549, Beneficiary Account Number - 18883974, Depository - NSDL, Market-Off-Market, On or before Wednesday, March 29, 2006.

  Please note the following :

  (i) For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance.

  (ii) The Registrar to the Offer is not bound to accept those acceptances for which corresponding shares have not been credited to the above special account or for shares that are credited in the above special account but the corresponding Form of Acceptance has not been received as on the date of closure of the Offer.

- **In case of shares held in the PHYSICAL MODE by REGISTERED SHAREHOLDERS :**

  (i) Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders. In case of shares held in joint names, names should be filled up in the same order in which they hold shares in the Target Company. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer;

  (ii) Original equity share certificate(s); and

  (iii) Valid equity share transfer form(s) duly signed by transferor (by all the shareholders in case the shares are in joint names) as per the specimen signatures lodged with the Target Company and duly witnessed at the appropriate place(s).

PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED.

- In case of shares held in the PHYSICAL MODE by PERSONS NOT REGISTERED AS SHAREHOLDERS :

(i) Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein;

(ii) Original equity share certificate(s) accompanied by valid share transfer forms as received from the market, wherein the name of the transferee has not been filled in; and

(iii) Original broker contract note of a registered broker of a recognized stock exchange in relation to the purchase of the Shares being tendered in this case.

(iv) In case the share certificate(s) and the transfer deed(s) are lodged with the Target Company / its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/ its transfer agents, of the share certificate(s) and the transfer deed(s).

(v) No indemnity is required from persons not registered as shareholders.

PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED.

- Non-resident shareholders should, in addition to the above, enclose copy(ies) of permission(s) received from Reserve Bank of India to acquire shares held by them in the Target Company.

7.3 Shareholders who have sent their physical shares for dematerialization may participate in the Offer by submitting the Form of Acceptance-cum-Acknowledgement along with a copy of the dematerialization request form duly acknowledged by the Depository Participant. Shareholders who have sent their physical shares for dematerialization need to ensure that the process of getting their shares dematerialized is completed well in time so that the credit in the special depository account duly instructed by the Shareholder should be received on or before the close of the Offer (i.e. Wednesday, March 29, 2006), else the application will be rejected.

7.4 In case of non-receipt of the Letter of Offer, the eligible Shareholders may obtain a copy of the Letter of Offer from the SEBI website www.sebi.gov.in, or obtain a copy of the same from the Manager to the Offer or Registrar to the Offer on providing suitable documentary evidence of acquisition of the shares. Alternatively those desirous of tendering their shares to the Acquirer may participate in the Offer as follows :

a) In case shares are held in the dematerialized form :

by sending their consent in writing on a plain paper to the Registrar to the Offer, such that it is received by the Registrar to the Offer before 5 p.m. Indian Standard Time on Wednesday, March 29, 2006 stating the name, address, no. of shares held, no. of shares offered, DP name, DP ID, beneficiary account number along with a photocopy of the Delivery Instruction in “Off-market” mode, duly acknowledged by the DP, in favour of “MCS Limited-Escrow Account-JBF Open Offer” filled as specified in Para No. 7.2 above. No indemnity would be required from unregistered shareholders.

b) In case of shares held in the physical mode:

by sending their consent in writing to the Registrar to the Offer, on a plain paper stating the name, address, no. of Shares held, no. of shares offered, distinctive nos., folio no., the original contract note issued by a registered share broker of a recognized stock exchange through whom such shares were acquired, along with the original share certificate(s) and transfer deed(s) duly signed, either by hand delivery or by Registered Post or courier, such that these are received by the Registrar to the Offer before 5 p.m. Indian Standard Time on - Wednesday, March 29, 2006.

7.5 All shareholders should provide all relevant documents which are necessary to ensure transferability of the Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to) :

a) Duly attested death certificate and succession certificate (in case of single shareholder) in case the original Shareholder has expired.

b) Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s).

c) No objection certificate from any lender, if the shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.

7.6 In case of companies, the necessary certified corporate authorisations (including board and/or general meeting resolutions). As per the current provisions of Section 195(1) of the IT Act, any person responsible for paying to a non-resident, not being a company, or to a foreign company, any sum chargeable to tax is required to deduct tax at source (including surcharge) at the rates in force. Since, under the current provisions of the IT Act, the consideration payable under the Offer would be chargeable to tax as capital gains under Section 45 of the IT Act, the Acquirer will need to deduct tax at source (including surcharge) at the rates in force on the gross consideration payable.

7.7 Subject to changes, if any, in the Finance Act for fiscal year 2005-06, if applicable, some of the categories of shareholders, who are not tax residents of India and the tax to be deducted on the gross consideration payable, are as given below :

a) Non-resident Indians: The Acquirer will deduct tax at source at the rate of 30.6% on the Offer Price in the case of short-term capital gains or business profits, and at the rate of 20.4% on the Offer Price in the case of long-term capital gains. In the event that the aforesaid amount exceeds Rs. 8,50,000/- the aforesaid rate will be increased by a surcharge of 10.2% of the sum.

b) Overseas Corporate Bodies / Non-domestic companies: The Acquirer will deduct tax at source (including surcharge) at the rate of 41.82% on the Offer Price in the case of short-term capital gains or business profits, and at the rate of 20.91% (including surcharge and education cess) on the Offer Price in the case of long-term capital gains.

c) Foreign Institutional Investors: The Acquirer will not deduct tax at source from income by way of capital gains, whether short term or long-term, arising from the transfer of Shares payable by the Acquirer to a foreign institutional investor.

7.8 Under Indian law, capital gains are treated as long-term only for shares that are deemed to have been held for more than twelve (12) months immediately prior to their sale.

7.9 For the purpose of determining as to whether the capital gains are short-term or long-term in nature, the Acquirer shall take the following actions based on the information obtained from the Target Company :

a) In the case of shares held in physical form that are registered with the Target Company in the name of the Shareholder, the date of registration of the Shares with the Target Company shall be taken as the date of acquisition.

b) In the case of shares held in a physical form and where the shareholder is not the registered shareholder, the capital gain shall be assumed to be short-term in nature.

c) In the case of dematerialised shares, the date of credit of the shares to the shareholders demat account shall be taken as the date of acquisition.

d) In case of any ambiguity, incomplete or conflicting information or the information not being available with the Target Company/Acquirer regarding the same, the capital gain shall be assumed to be short-term in nature.

7.10 Those categories of shareholders who may be eligible to obtain certificate regarding no deduction of tax or certificate regarding deduction of tax at lower rates may obtain the relevant certificate from the concerned Income Tax authorities under Section 195(3) of the IT Act, or under Section 197(1) and submit the same to the Acquirer while submitting the Bid Form. On failure to produce such certificate from the Income Tax authorities, the Acquirer will deduct tax at the rates in force, and a certificate in the prescribed form shall be issued to that effect. No tax will be deducted at source for shareholders who are tax residents of India. Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take.

The Acquirer or the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice.

7.11 The Form of Acceptance-cum-Acknowledgement along with all the relevant documents may be submitted at any of the collection Centers below:

No	Name & Address of the Collection Centre	Contact Person	Mode of Delivery	Telephone No.	Fax No.
01	MCS Limited 101, Shatdal Complex, 1st Floor Opp Bata Showroom Ashram Road Ahmedabad 380 009	Mr. Mahendra Singh	Hand Delivery	079-30070671	079-30070678
02	MCS Limited 77-2A, Hazra Road 3rd & 5th Floor Kolkata 700 029	Mr. Aloke Mukherjee	Hand Delivery	033-24767350	033-24747674
03	MCS Limited Sri Venkatesh Bhavan Plot No.27, Road No.11 MIDC Area, Andheri East Mumbai 400 093	Mr. M S Arun Kumar / Mr. Rajesh Satardekar	Registered Post / Hand Delivery	022-55025235	022-55025245
04	MCS Limited C/o Deepak, VKRLA & Associates 5 Deval Chambers, First Floor, Fountain Mumbai 400 001	Mr. Rajendra G	Hand Delivery	022-22823318	022-22823318
05	MCS Limited Sri Venkatesh Bhawan W - 40, Okhla Industrial Area Phase II New Delhi 110 020	Mr. A Sen	Hand Delivery	011-51406149	011-51709881
06	MCS Limited C/o GNSA Investor Services (P) Ltd. 18/1, Balaiah Avenue, Luz Mylapore, Chennai 600004	Mr. N Swaminathan	Hand Delivery	044-24661976	044-24662448

Note:

A. Documents will be hand delivered at the aforesaid Collection Centres

B. Registered Post/ Courier only at MCS Andheri

C. Timings - Mondays to Fridays between 10.00 am to 1.00 pm & 2.00 pm to 4.00 pm

Saturdays between 10.00 am to 1.00 pm

Except Sundays and Holiday

SHARES OR DOCUMENTS SHOULD NOT BE SENT DIRECTLY TO THE ACQUIRER / TARGET COMPANY / MANAGER TO THE OFFER

7.12 Applicants who cannot hand deliver their documents at the collection centers referred to above, may send the same by registered post, at their own risk and cost, to the Registrar to the Offer at its address MCS Limited, Sri Venkatesh Bhavan, Plot No.27, Road No.11, MIDC Area, Andheri East, Mumbai 400 093 (Contact Person: Mr. M S Arun Kumar / Rajesh Satardekar Tel No.: 022-55025235 Fax No.: 022-55025245)

The Registrar to the Offer will hold in trust the share certificates, credit of dematerialized shares, form of acceptance duly filled in and the transfer deed(s) on behalf of the Shareholders who have accepted the Offer, till such time as the Acquirer/ PAC complete the obligations under the Offer.

7.13 In case the number of shares validly tendered in the Offer by the shareholders are more than the Shares to be acquired under the Offer, the acquisition of Shares from each Shareholder will be, as per the provisions of regulation 21(6) of the Takeover Regulations, on proportional basis in such a way that the acquisition from any Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. As the shares trade in the compulsory dematerialized settlement segment of BSE and NSE, the minimum marketable lot for the shares is 1 (one).

7.14 The payment of consideration for accepted applications will be made by the Acquirer in cash through account payee cheques, drafts, warrants, etc. sent by Registered Post for amounts exceeding Rs. 1,500 and otherwise by under Certificate of Posting in accordance with the Regulations, and the same will be drawn in the name of the first named person in case of joint Shareholders. It is desirable that shareholders provide bank details in the Form of Acceptance-cum-Acknowledgement, so that the same can be incorporated in the cheque / demand draft / pay order. For shareholders holding shares in electronic form, the bank particulars as recorded with the depository participant will be printed on the cheque/ demand draft/ pay order.

7.15 The unaccepted share certificates, transfer forms and other documents, if any, would be returned by registered post at the Shareholders' sole risk. Shares, to the extent unaccepted, held in dematerialized form will be credited back to the beneficial owners' depository account with the respective depository participant as per details furnished in the Form of Acceptance.

7.16 Copy of this Letter of Offer (including the Form of Acceptance cum Acknowledgement) is expected to be available on SEBI's website (www.sebi.gov.in) during the period the Offer is open. Eligible shareholders can make an application in the Offer in the form downloaded from SEBI's website as one of the alternatives for applying in the Offer.

7.17 Shareholders desirous of withdrawing their acceptances tendered in the Offer can do so up to three working days prior (i.e. up to 5 P.M. on Friday, March 24, 2006) to the close of the Offer. The withdrawal option can only be exercised by submitting the Form of Withdrawal as per the instructions below so as to reach the Registrar to the Offer at its address MCS Limited, Sri Venkatesh Bhavan, Plot No.27, Road No.11, MIDC Area, Andheri East, Mumbai 400 093 (Contact Person : Mr. M S Arun Kumar / Rajesh Satardekar Tel No.: 022-55025235 Fax No.: 022-55025245,) either by hand delivery or by registered post by 5 P.M on Friday, March 24, 2006. In case of non-receipt of the Form of Withdrawal the withdrawal option can be exercised by making an application on plain paper mentioning details like: name and address of the Shareholder, number of Shares tendered/withdrawn; in case of physical shares: distinctive numbers, folio numbers; and details as mentioned in Para No. [7.2 to 7.10] above.

Where the Acquirer is unable to make the payment to the shareholders who have accepted the offer before a period of fifteen days from the date of the closure of the offer due to non-receipt of requisite statutory approvals, SEBI may, if satisfied that non-receipt of requisite statutory approvals was not due to any willful default or neglect of the acquirer or failure of the Acquirer to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders for delay beyond fifteen days, as may be specified by SEBI from time to time.

8. DOCUMENTS FOR INSPECTION

Copies / certified copies of the following documents will be available for inspection at the office of JBF Industries Limited, 8th Floor, Express Towers, Nariman Point, Mumbai 400 021 during normal business hours on any working day i.e. Monday to Friday between 10:00 am and 3:00 pm during the Offer period i.e. from Friday, March 10, 2006.

1. Certificate of Incorporation of the Acquirer
2. Certificate of Incorporation on change of name of the Acquirer
3. Memorandum and Articles of Association of the Acquirer
4. CA Certificate dated June 14, 2005 and dated March 2, 2006 for adequacy of financial resources with the Acquirer
5. Audited Annual Reports of the Acquirer for the years ended 31.12.2002, 31.12.2003 and 31.12.2004.
6. Certificate of Incorporation of the PAC
7. Memorandum and Articles of Association of the PAC
8. Letter from Citibank N.A dated June 14, 2005 and March 2, 2006, confirming deposit in escrow account
9. Confirmation from the Acquirer that escrow funds will be exclusively utilized for the Open Offer.
10. Audited Annual Reports of JBF for the years ended 31.03.2003, 31.03.2004 ,31.03.2005
11. Newspaper clipping of the Public Announcement published on Wednesday, June 15, 2005.
12. Newspaper clipping of the Revised Public Announcement to be published on Tuesday, March 7, 2006.
13. Resolutions passed by the Acquirer for Investment and Offer
14. Letters dated February 20, 2006 received from SEBI in terms of the provisions of Regulation 18(2).
15. Investment Agreement dated June 10, 2005 between JBF, promoters of JBF and the Acquirer, amendment letter dated February 2, 2006 and amendment letter dated March 3, 2006.
16. Special Depository agreement entered into with Depository Participant
17. Letter dated February 26, 2005 issued by Delhi Stock Exchange confirming delisting of shares.
18. Letter dated February 16, 2005 issued by Madras Stock Exchange confirming delisting of shares.
19. Letters from CSE dated June 24, 2005 certifying the share price and trading volume data

9. DECLARATION BY THE ACQUIRER AND PAC

9.1 A copy of the Letter of Offer was delivered to the Board of Directors of JBF and the Stock Exchanges at Mumbai, Kolkatta and National Stock Exchange for information and perusal on June 29, 2005.

9.2 The Acquirer and the PAC accept full responsibility for the information contained in this Letter of Offer and also for their obligations as laid down in Regulation 22(6) of SEBI Takeover Regulations.

9.3 Acquirer and the PAC shall be jointly and severally responsible for ensuring compliance with Takeover Regulations.

9.4 The Managers to the Offer have ensured that the directors of the Acquirer and the PAC are duly and legally authorized to sign the Letter of Offer.

For and on behalf of

Citigroup Venture Capital International Growth Partnership Mauritius Limited

Sd/-

Authorised Signatory (Acquirer)

Place : Mauritius

Date : March 3, 2006

For and on behalf of

Citigroup Venture Capital International Jersey Limited

Sd/-

Authorised Signatory (PAC)

Place : Jersey, Channel Islands

Date : March 3, 2006

Encl: Form of Acceptance cum Acknowledgement

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to the Registrar to the Offer at their address given herein)

- Please read the enclosed Letter of Offer dated March 3, 2006 carefully before filling this Acceptance Form.
- All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer.
- Each shareholder of JBF to whom this Offer is being made, is free to offer his shareholding in JBF in whole or in part while accepting the Offer.

OFFER	
Opens On	Friday, March 10, 2006
Closes On	Wednesday, March 29, 2006

From : -

Folio No. / DP ID No. / Client ID No.

Name ____

Full Address : ____

____

Tel No : _______________ **Fax No :**_______________ **E-mail :** _______________

To,

MCS Limited
Sri Venkatesh Bhavan, Plot No. 27, Road No.11,
MIDC Area, Andheri (East), Mumbai 400 093.

Dear Sir,

Sub: Open Offer for purchase of 1,05,70,000 equity shares of JBF representing 20% of the Likely Diluted Paid-up Equity Share Capital at an offer price of Rs. 46.50/- per fully paid-up equity share by CVCIGPML.

I/We refer to the Letter of Offer dated March 3, 2006 for acquiring the equity shares held by me/us in JBF.

I/We, the undersigned, have read the Letter of Offer and understood the contents including the terms and conditions mentioned therein.

SHARES IN PHYSICAL FORM

I/We, hold the following shares in the physical form, accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below :

Ledger Folio No. _______________ No. of Share Certificate ____________ No of Share ___________

Sr. No.	Ledger Folio No.	Certificate No.	Distinctive Nos.		No. of Equity Shares
			From	To	
			Total number of shares		

Please attach an additional sheet of paper if the above space is insufficient and authenticate the same.

I/We note and understand that the original share certificate (s) and valid share transfer deed(s) will be held in trust for me/us by Registrars to the Offer until the time the Acquirer pay the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

- **TEAR HERE** -

Sr. No. _____________________

ACKNOWLEDGEMENT SLIP

(Unit : JBF INDUSTRIES LIMITED)

Survey No. 273, Village Athola, Silvassa - 396230, Dadra & Nagar Haveli

Folio No. / DP ID / Client ID __________________

Received from Mr./Ms./M/s ____

Address ____

________________________________ Form of Acceptance # _____________Number of Share Certificates for _________________ Equity Shares / # Copy of the Delivery Instructions to (DP) for _________________________ Equity Shares.

Date of Receipt Signature of Official	Stamp of collection centre

SHARES IN DEMATERIALISED FORM

For Shares held in Demat Form :

I/We holding shares in demat form, accept the Offer and enclose photocopy of the Delivery Instruction Slip duly acknowledged by my/our DP in respect of my/our equity shares as detailed below :

DP Name	DP ID	Client ID	No. of Equity Shares	Name of Beneficiary

I/ We have done an off market transaction for crediting the shares to the Escrow depository account with **"MCS Limited- Escrow-JBF Open Offer A/c"** with the following particulars :

DP Name -	**HDFC Bank Limited,**	**Beneficiary A/c No.**	**18883974**	**DP ID**	**IN301549**
Depository	**NSDL**	**Market**	**Off Market**	**Execution Date**	**On or before Wednesday, March 29, 2006**

- I/We have attached following additional documents wherever applicable
- ❖ Approval from Reserve Bank of India / Government of India for purchase of shares, if any.
- ❖ No Objection Certificate / Tax Clearance Certificate under Income Tax Act, 1961 as applicable.
- ❖ Power of Attorney
- ❖ Death Certificate / Succession Certificate / No Objection Certificates / Letters from legal heirs duly attested.

I / We confirm that the Equity Shares of (Company) which are being tendered herewith by me / us under this Offer are free from lien, charges and encumbrances of any kind whatsoever.

I/We note and understand that once I/We have accepted the Offer by tendering the requisite documents in terms of Public Announcement / Revised Public Announcement / Letter of Offer, I / We have the option to withdraw the same upto three working days prior (i.e. upto Friday, March 24, 2006) to the date of the closure of the Offer.

I/We note and understand that the Shares would reside in the Special Depository Escrow Account until the time and the Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer.

I/We authorise the Acquirer to accept the shares so offered which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and

I/We further authorise the Acquirer to return to me/us, by registered post, equity share certificate(s) in respect of which the offer is not found valid/not accepted, specifying the reasons thereof and in the case of dematerialized shares, to the extent not accepted will be released to my Depository Account at my sole risk.

I/We authorise the acquirer or the Manager to the Offer to send the demand draft/cheque in settlement of the amount by registered post/speed post/UCP, in terms of Letter of Offer, to the sole/first holder at the address mentioned above.

So as to avoid fraudulent encashment in transit, the shareholder(s) holding shares in physical form may provide details of bank account of the first/sole shareholder and the consideration payment will be drawn accordingly**.** For shares that are tendered in electronic form, the bank account details obtained from the beneficiary position download to be provided by the depositories will be considered and the consideration payment will be issued with the said bank particulars.

Name of the Bank ________________________________ Branch ________________________________

City : ____

Account Number : ________________________________ Saving / Current / NRE / NRO / Others (Please Tick)

Yours faithfully,

Signed & Delivered by	Full Name(s) of the Holder	Specimen Signature	PAN / GIR No.
First / Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

NOTE : In case of Joint holdings all must sign. A Corporation must affix its common seal and necessary Board Resolution should be attached.

Place : Date :

- TEAR HERE -

Note : All the future correspondence,

if any should be addressed to the following address :

MCS LIMITED

(Unit : JBF INDUSTRIES LIMITED)

Sri Venkatesh Bhavan, Plot No.27,

Road No.11, MIDC Area, Andheri East,

Mumbai 400 093

Tel. : 022 - 55025235

Fax : 022 - 55025245

FORM OF WITHDRAWAL

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to the Registrar to the Offer at their address given overleaf)

*** All terms and expression used herein shall have the same meaning as ascribed thereto in the Letter of Offer.**

From

Folio No. /DP ID No. / Client ID No.

Name : ____

Full Address : ____

Tel No : ____________ **Fax No :**_______________ **E-mail :** ___________

OFFER	
Opens On	**Friday, March 10, 2006**
Closes On	**Wednesday, March 29, 2006**

To,

MCS Limited,
Sri Venkatesh Bhavan, Plot No.27, Road No.11,
MIDC Area, Andheri East,Mumbai 400 093.

Dear Sir,

Sub : Open Offer for purchase of 1,05,70,000 equity shares of JBF representing 20% of the Likely Diluted Paid-up Equity Share Capital offer at an offer sprice of Rs. 46.50/- per fully paid-up equity share by CVCIGPML.

I/We refer to the letter of offer dated March 3, 2006 for acquiring the equity shares held by me/us in **JBF INDUSTRIES LIMITED (JBF).**

I/We have read the procedure for withdrawal of equity shares tendered by me/us in the Offer as mentioned in the Letter of Offer and unconditionally agree to the terms and conditions mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our equity shares from the Offer and I/We further authorise the Acquirers to return to me/us, the tendered equity share certificate(s)/ share(s) at my/our sole risk.

I/We note that this Form of Withdrawal should reach the Registrar to the Offer at any of the collection centers mentioned in the Letter of Offer on or before the last date of withdrawal.

I/We note that the Acquirers/Manager to the Offer / Registrar to the Offer shall not be liable for any postal delay/loss in transit for the equity shares held in physical form and also for the non-receipt of equity shares held in the dematerialised form in the DP account due to inaccurate/incomplete particulars/instructions.

I/We also note and understand that the Acquirers will return the original share certificate(s), share transfer deed(s) and Shares only on completion of verification of the documents, signatures etc. and beneficiary position data as available from the Depository from time to time, respectively.

The particulars of the tendered Share(s) that I/We wish to withdraw are detailed below:

No. of Share Certificate(s) ________________ No. of Equity Shares ________________

Sr. No	Ledger Folio No.	Certificate No.	Distinctive Nos.		No. of Equity Shares
			From	To	
	Tendered				
1.					
2.					
3.					
	Total				
	Withdrawn				
1.					
2.					
3.					
	Total				

(In case of insufficient space, please use an additional sheet and authenticate the same)

- **TEAR HERE** -

Folio No. / DP ID / Client ID _____________________ Sr. No. _____________________

ACKNOWLEDGEMENT SLIP

(Unit : JBF INDUSTRIES LIMITED)

Survey No. 273, Village Athola, Silvassa - 396230, Dadra & Nagar Haveli

Received from Mr./Ms./M/s ____

Address ____

________________________ Form of Withdrawal # ____________Total Number if Certificate(s) enclosed _______________ Certificate Numbers _______________________

Total Number of Shares (s) enclosed ______________________

Signature of Official and Date of Receipt	Stamp of collection centre

I/We hold the following equity shares in dematerialised form and tendered the equity shares in the Offer and had done an off-market transaction for crediting the Shares to the **"MCS Limited – JBF Open Offer Escrow A/c"** (Special Depository Escrow Account) as per the following particulars :

DP Name - HDFC Bank Limited, Beneficiary A/c No. - 18883974 DP ID - IN301549

Please find enclosed a photocopy of the Depository Delivery Instruction(s) duly acknowledged by DP. The particulars of the account from which my/our equity shares have been tendered are as detailed below :

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Equity Shares	No. of Equity Shares withdrawn

I/We note that the equity shares will be credited back only to that Depository Account, from which the equity shares have been tendered and necessary standing instructions have been issued in this regard.

In case of dematerialised equity shares, I/We confirm that the signatures have been verified by the DP as per the records maintained at their end and the same have also been duly attested by them.

I/We confirm that the particulars given above are true and correct.

Address of First / Sole Shareholder

____

____

____

____

Tel No : _______________ Fax No :_______________: E-mail : _______________

Yours faithfully

Signed & delivered by	FULL NAME(S)	SIGNATURE(S)	Verified and Attested by DP (in case of demat Shares) and by Bank in case of physical Shares)
First/Sole Shareholder			
Second Shareholder			
Third Shareholder			

Note : In case of joint holdings all must sign. In case of body corporate, stamp of the company should be affixed and necessary Board resolution should be attached.

Place : Date :

- TEAR HERE -

Note : All the future correspondence,

if any, should be addressed to the following address :

MCS LIMITED

(Unit : JBF INDUSTRIES LIMITED)

Sri Venkatesh Bhavan, Plot No.27,

Road No.11, MIDC Area, Andheri East,

Mumbai 400 093

Tel. : 022 - 55025235

Fax : 022 - 55025245

PRINTED BY : CRYSTAL FORMS LTD. (022) 2382 3151 / 52