JBF Industries Limited

CORPORATE OFFICE : 8th FLOOR, EXPRESS TOWERS, NARIMAN POINT, MUMBAI - 400 021. (INDIA)
TEL. : (91-22)22885959 FAX : (91-22) 22886393 e-mail:jbf@vsnl.com Internet site : http://www.jbfindia.com

Ref No. : JBF/SECTL/SE/

12th February, 2021

The Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex Bandra [East] Mumbai 400 51 Maharashtra	The Secretary Bombay Stock Exchange Limited Pheroz Jeejabhoy Towers, Dalal Street, Mumbai 400 001 Maharashtra

Sir/Madam,

Sub : Financial Results

In Compliance with Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Unaudited Financial Results for the quarter ended on 31st December, 2020, approved by the Board of Directors of the Company in their meeting held on 12th February, 2021.

The Meeting of Board of Directors of the Company commenced at 12.15 hrs. and concluded at 14.30hrs.

Kindly acknowledge the receipt of the same.

Thanking you,

Yours Faithfully,
For JBF INDUSTRIES LIMITED

Mrs. Ujjwala Apte
Company Secretary

REGD. OFFICE : SURVEY NO. 273, VILLAGE ATHOLA, SILVASSA-396 230. (INDIA)
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(ISO 9001/14001 & 18001 CERTIFIED) CIN : L99999DN1982PLC00012

PAN AAQFS9420E

S.C. Ajmera & Co.
Chartered Accountants

Independent Auditor's Review Report on Quarterly and Nine months ended Unaudited Standalone Financial Results of JBF Industries Ltd. Pursuant to Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

To
The Board of Directors,
JBF Industries Limited.

1. We have reviewed the accompanying statement of Unaudited Standalone Financial Results of JBF Industries Limited ("the Company") for the quarter ended December 31, 2020 and for the period from April 01, 2020 to December 31, 2020 ("the statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation"), as amended.

2. This statement, whichis the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement based on our review.

3. The audit of financial results for the year ended 31stMarch 2020 and review of unaudited financial results for the quarter and nine months ended 31st December 2019 included in the Statement was carried out and reported by statutory auditor, M/s Pathak H. D. & Associates LLP, vide their unmodified audit report dated 10th September 2020 and unmodified review reports dated 25th February 2020 respectively, whose audit and review reports have been furnished to us and which has been relied upon by us for the purpose of our review of the Statement . Our review report is not modified in respect of these matters."

4. We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by theIndependent Auditor of the Entity', issued by the Institute of Chartered Accountants ofIndia. This standard requires that we plan and perform the review to obtain moderateassurance as to whether the financial statements are free of material misstatement. Areview is limited primarily to inquiries of Company personnel and analyticalprocedures, applied to financial data and thus provides less assurance than an audit.We have not performed an audit and accordingly, we do not express an audit opinion.

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5. **Basis for qualified conclusion**

i. As mentioned in Note 3 to the statement, provision of interest @ 9% p.a. on its borrowings aggregating to Rs. 2,24,639 lakhs as at 31st December, 2020 as against the documented rate, resulting into lower provision of finance cost for the quarter and nine months ended 31st December, 2020 by Rs. 4,217 lakhs and Rs. 10,496 lakhs respectively, which is not in compliance withIND AS -23 "Borrowings Costs" read with IND AS-109 on "Financial Instruments".Aggregate amount of Interest not provided for as at 31st December, 2020 is Rs. 34,798lakhs. Had the interest been provided at the documented rate, finance cost, net lossafter tax for the period/year, total comprehensive income and EPS for the quarterand 9 monthsended 31st December, 2020 would have been Rs. 10,739 lakhs and Rs.29,270 lakhs, Rs. (5,780) lakhs and Rs. (32,549) lakhs, Rs.(5,809) lakhs and Rs. (32,637) lakhs, and Rs. (7.06) and Rs. (39.76) respectively as against the reported figure of Rs. 6,522 lakhs and Rs. 18,774 lakhs, Rs.(1,563) lakhs and Rs. (22,053) lakhs, Rs. (1,592) lakhs and Rs. (22,141) lakhs and Rs. (1.91) and Rs. (26.94) respectively in the above results.

ii. As mentioned in the Note 5 to the statement, company has exposure in subsidiaries by way of investments, loans and other receivables aggregating to Rs. 1,51,402 lakhs (as at 31st March, 2020 Rs. 151,569 lakhs) in respect of which the company could not carry out impairment assessments due to the reasons mentioned therein. We are unable to obtainsufficient appropriate audit evidence about the recoverable amount of the Company's exposure. Consequently, we are unable to quantify the provisions for impairments in respect of the aboveand its consequential impacts onthe financial results of the Company.

iii. As mentioned in Note 11 to the statement, advance of Rs. 690 lakhs given to one of the suppliers of the Company against supply of goods, which are unsettled for the extended period of time, have been considered good for recovery by the management for the reasons stated therein. In view of the age of these balances, the absence of subsequent settlements and non-receipt of balance confirmations,we are unable to comment on therecoverability of the above advance and its consequential impacts on the financialresults of the company.

iv. As mentioned in Note 12 to the statement regarding the application filed with the NationalCompany Law Tribunal (NCLT), by one of the operational creditors of JBF RAK LLC (JBF RAK), situated at UAE, asubsidiary of the company, againstthe Company, for supply of raw materials to JBF RAK and claim of Rs. 12,848 Lakhs (US$ 19,899,091.53) as per notice dated 17th February, 2020. No provision

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has been considered for theabove claim for thereasons stated therein. The matter described in above has uncertainties related tothe outcome of the legal proceedings and hence we are unable to quantify theprovisions for above claim at this stage, if any, andits consequential impacts on thefinancial results of the Company.

6. **Material Uncertainty Related to Going Concern**
Note 6 to the statement, regarding preparation of financial results on going concern basis, notwithstanding the fact that the Company has incurred the losses, defaulted in repayment of principle and interest to its lenders, lender have classified the Company's borrowings as NPA, one of the lender has declared the company as wilful defaulter also, some of the lenders have even called back the loans and one of the secured lenders have applied before NCLT under Insolvency and Bankruptcy Code, 2016. These conditions, along with other matters as set forth in above note indicate the existence of material uncertainty that may cast significant doubt about Company's ability to continue as a going concern. The appropriateness of assumption of Going Concern is critically dependent upon the Company's ability to raise finance and generate cash flows in future to meet its obligation. Our opinion is not modified in respect of this matter.

7. Emphasis of Matter

We draw your attention to:-

(i) Note 4 to the statement, regarding invocation of corporate guarantee given by the company to the lender of JBF Petro Chemicals Ltd. ("JPL"). The company has denied above invocation and is of the view that above invocation is not tenable for the reasons explained therein and hence no provision against the claims under the invoked corporate guarantee is considered necessary.

(ii) Note 7 to the statement, regarding non-preparation of consolidated financial statement due to the reasons mentioned therein. The company has six subsidiaries and is required to present consolidated financial results. However, the Company has not prepared and presented the consolidated financial statements/results required by Companies Act, 2013 and IND AS 110 "Consolidated Financial Statements" and the Listing Regulation.

(iii) Note 8 to the statement, regarding the vacancy of the post of the Chief Executive Officer and Chief Financial Officer since 1st May, 2019 and 2nd March, 2020 respectively due to the reason as mention therein.

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(iv) Note 10 to the statement, as regards to the management evaluation of COVID-19 impact on the future performance of the Company. However, in future the impact may be different from those estimated as on the date of approval of these financial results.

Our opinion is not modified in respect of these matters.

8. Based on our review conducted as above, except for the possible effects of the matter described in the paragraph 5 above "Basis for Qualified Conclusion" and read with our comments in paragraph 6 & 7 above, nothing has come to our attention that causes us to believe that the statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended , including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

S.C. AJMERA & CO. FRN 002908C CHARTERED ACCOUNTANTS

(Arun Sarupria – Partner)
M.No. 078398
UDIN: **21078398AAAAAK1338**

Place : Udaipur
Date : 12.02.2021

JBF INDUSTRIES LIMITED
Survey No. 273, Village: Athola, Silvassa,
(Dadra and Nagar Haveli and Daman and Diu)
CIN : L99999DN1982PLC000128

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER/NINE MONTH ENDED 31ST DECEMBER, 2020

(Rs. In Lakh except per share data)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.20
1	Income						
	a) Revenue From Operations	72,534	46,648	72,747	1,42,777	2,14,349	2,81,290
	b) Other Income (Refer note no-5)	358	274	1,590	1,006	2,390	2,661
	Total Income	72,892	46,922	74,337	1,43,783	2,16,739	2,83,951
2	Expenses						
	a) Cost of materials consumed	49,358	37,160	57,464	1,02,212	1,71,052	2,25,635
	b) Purchases of Stock- in- trade	45	47	-	100	-	313
	c) Changes in Inventories of Finished goods and work-in-progress	3,239	(1,037)	1,081	7,545	1,294	157
	d) Employee benefits expense	2,173	2,051	1,908	6,059	6,547	8,836
	e) Finance Costs (Refer note no-3)	6,522	6,224	6,242	18,774	18,395	24,851
	f) Depreciation and amortisation expense	2,207	2,216	2,371	6,623	7,190	9,448
	g) Other Expenses	10,614	9,073	10,877	24,194	30,873	41,336
	Total Expenses	74,158	55,734	79,943	1,65,507	2,35,351	3,10,576
3	Loss before Exceptional Items and tax (1- 2)	(1,266)	(8,812)	(5,606)	(21,724)	(18,612)	(26,625)
4	Exceptional Items (Refer note no-2)	-	-	-	-	-	6,741
5	Loss before Tax (3-4)	(1,266)	(8,812)	(5,606)	(21,724)	(18,612)	(33,366)
6	Tax Expenses						
	a) Current Tax	-	-	-	-	-	
	b) Deferred Tax	16	16	(57)	48	(53)	(16)
	c) Short Provision of Tax of Earlier Years	281	-	-	281	-	-
	Total Tax Expense	297	16	(57)	329	(53)	(16)
7	Net Loss for the Period/Year (5 - 6)	(1,563)	(8,828)	(5,549)	(22,053)	(18,559)	(33,350)
8	Other Comprehensive Income (OCI)						
	i) Items that will not be reclassified to profit or loss:						
	a) Re-measurement gains / (losses) on defined benefit plans	(45)	(46)	(6)	(136)	(18)	(181)
	b) Income tax effect on above	16	16	2	48	6	63
	ii) Items that will be reclassified to profit or loss						
	Total Other Comprehensive Income	(29)	(30)	(4)	(88)	(12)	(118)
9	Total Comprehensive Income for the Period / Year (7+8)	(1,592)	(8,858)	(5,553)	(22,141)	(18,571)	(33,468)
10	Paid Up Equity Share Capital (Face Value of Rs.10/- each fully paid up)	8,187	8,187	8,187	8,187	8,187	8,187
11	Other Equity excluding Revaluation Reserve	-	-	-	-	-	29,759
12	Earning per equity share: Basic & Diluted (Not Annualised)*	(1.91)*	(10.78)*	(6.78)*	(26.94)*	(22.67)*	(40.73)

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JBF Industries

Notes :

1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 12th February, 2021.The Statutory Auditors of the Company have carried out a Limited Review of the above results.

2 Exceptional items for the year ended 31st March, 2020 represent provision for doubtful debts in respect of trade receivables and other receivables.

3 The Company has provided interest @ 9% p.a. on its borrowings aggregating to Rs. 2,24,639 lakh as against the documented rate since Company expects that ultimate interest liability will not be more than 9% p.a. Aggregate amount of interest not provided for as at 31st December, 2020 is Rs. 34,798 lakh. Accordingly, finance costs for the quarter ended 31st December, 2020, for the quarter ended 30th September, 2020, for the quarter ended 31st December, 2019, for the nine months ended 31st December, 2020, for the nine months ended 31st December, 2019 and for the year ended 31st March, 2020 is lower by Rs. 4,217 lakh, Rs. 2,878 lakh, Rs. 3,315 lakh, Rs. 10,496 lakh, Rs. 10,363 lakh and Rs. 13,986 lakh respectively, which is not in compliance with IND AS -23 "Borrowing Costs" read with IND AS-109 on "Financial Instruments". The same has been qualified by the auditors in their report on the results and was also qualified by the auditors in their reports on the financial statements & results for the earlier year/ quarters.

4 The Company had issued a corporate guarantee of USD 463.96 Million (equivalent of Rs. 3,38,736 lakh) to the lenders of JBF Petrochemicals limited ("JPL"), a step down subsidiary. One of the lenders of JPL vide it's letter dated 24th April, 2018 invoked corporate guarantee to the extent of USD 252.00 Million (equivalent of Rs.1,83,984 lakh) as JPL has defaulted in servicing its borrowings towards principal and interest thereon. Company has denied above invocation and is of the view that above corporate guarantee was valid only up to one year from the Commercial operation date i.e. 31st March, 2017 and all obligation of the Company towards above lenders stand rescinded, have fallen away and ceased to exist as on 1st April, 2018. In view of the above, invocation of corporate guarantee on 24th April, 2018 is not legally tenable and hence no provision is required towards the guarantee so invoked. Company has discontinued recognition of guarantee commission w.e.f. 1st April, 2018. The same has been referred by the auditors in their report on the results and was also referred by the auditors in their reports on the financial statements & results for the earlier years/ quarters.

5 The Company as on 31st December, 2020 has an aggregate exposure of Rs. 1,51,402 lakh (excluding corporate guarantee as mentioned in note no. 4 above) in its subsidiaries namely JBF Global Pte ltd ("JGPL") and JBF Petrochemicals limited ("JPL") by way of investment in equity of Rs. 39,617 lakh, loans including interest of Rs. 95,270 lakh and other receivables of Rs. 16,515 lakh.

The operations of JBF RAK LLC's plant located at Ras al-Khaimah in U.A.E, a subsidiary of JGPL remained suspended since long due to its financial issues with its lenders etc. Uncertainty is also faced in respect of PTA project at Mangalore, being executed by JPL, due to non-commencement of operation as planned and default in servicing of its borrowings towards principle and interest. The lenders of JPL have also invoked the pledged equity shares of JPL held by JGPL and corporate guarantee of the Company as mentioned in note no. 4 above. One of the lenders of JPL has made an application with National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016. No audited consolidated financial statements of JGPL are available from March 18.

Company has not carried out impairment testing in respect of the Company's exposures to its subsidiaries and hence no provision for impairment has been provided for. The same has been qualified by the auditors in their report on results and was also qualified by the auditors in their reports on the financial statements & results for the earlier years/ quarters.

Further, the Company has discontinued recognition of interest income on Inter- corporate deposits amounting to Rs. 77,230 lakh given by it to JPL w.e.f.1st April 2018 and accordingly interest income for the quarter ended 31st December, 2020, for the quarter ended 30th September, 2020, for the quarter ended 31st December, 2019, for the nine months ended 31st December, 2020, for the nine months ended 31st December, 2019 and for the year ended 31st March, 2020 is lower by Rs. 2,433 lakh, Rs. 2,433 lakh, Rs. 2,427 lakh, Rs. 7,273 lakh, Rs. 7,253 lakh and Rs. 9,654 lakh respectively.

6 The Company underwent significant financial stress due to suspension of manufacturing operations at its subsidiary, delay in completion of PTA project at Mangalore and adverse market conditions. All these have resulted in financial constraint to the Company, losses in the operations, default in repayment of principle and interest to lenders, classification of Company's borrowings as Non- performing assets by its lenders, declaration of willful defaulter by one of the lender and calling back of loans by some of the lenders. Further one of the secured lenders of the Company have applied before NCLT under Insolvency and Bankruptcy Code, 2016, which has not been admitted so far.

All the plants of the Company are operational and the management is of the view that above circumstances will not affect the operations of the Company and hence continue to prepare its financial statement on going concern basis. The same has been referred by the auditors in their report on results and was also referred by the auditors in their reports on the financial statements & results for the earlier years/ quarters.

7 Due to financial restructuring / negotiation with lenders and/or investors, Company did not receive the audited financial statements of its subsidiaries, hence the Company could not prepare the consolidated financial statements of the Company and accordingly no consolidated financial results have been published. The same has been referred by the auditors in their report on results and was also referred by the auditors in their report on the financial statements & results for the earlier years/ quarters.

8 Chief Executive Officer (CEO) of the Company had tendered his resignation from the post of CEO with effect from 1st May, 2019. The same has been referred by the auditors in their report on results and was also referred by the auditors in their report on the financial statements & results for the earlier years/ quarters. Further Chief Financial Officer (CFO) of the Company has also tendered his resignation from the post of CFO with effect from 2nd March, 2020. Management of the Company is in look out for the suitable person to fill the above vacancy, for sometime but due to Covid situation it is further delayed. The same has been referred by the auditors in their report on results and was also referred by the auditors in their report on the financial statements & results for the earlier years/ quarters.

9 As approved by the shareholders at its meeting held on 4th October, 2018, the Company has reserved issuance of 40,00,000 equity shares of face value of Rs. 10 each and 24,00,000 equity shares of face value of Rs. 10 each under the Employees Stock Option Plan 2018 (ESOP) & Employees Stock Purchase Scheme 2018 (ESPS) respectively.

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





11 Company had given advance of Rs. 690 lakh to one of the supplier against supply of goods in earlier years, which are unsettled for the extended period of time. Efforts are being made to settle the above advance and the Management believes that above advance either will be settled against supply of goods or amount will be refunded and hence no provision is required. The same has been referred by the auditors in their report on results and was also referred by the auditors in their report on the financial statements & results for the earlier years/ quarters.

12 During the previous year, one of the operational creditors of JBF RAK LLC, situated at UAE (JBF RAK), a subsidiary of the Company, had made an application with National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016 against the Company, for supply of raw materials to JBF RAK and claimed for a debt of Rs. 12,848 lakh (US$ 19,899,091.53) as per notice dated 17th February, 2020. Management is of the view that in view of negotiation with the above creditor by JBF RAK and based on past settlement by the Company with above creditors in respect of raw material purchased by the Company, there will be no liability on account of it to the Company and hence no provision is required towards above claim. The same has been referred by the auditors in their report on results and was also referred by the auditors in their report on the financial statements & results for the earlier years/ quarters.

13 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

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

15 The figures for the corresponding previous period/year have been regrouped/re-arranged wherever necessary, to make them comparable.

S. C. AJMERA & CO. CHARTERED ACCOUNTANTS FRN 002[illegible]8C

JBF Industries Ltd.

By order of the Board of Directors

SEETHARAM N SHETTY
DIRECTOR
DIN-07962778

Place : Mumbai
Date : 12th February, 2021