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/

19th May, 2022

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex
Bandra [East]
Mumbai, Maharashtra 400 051

Sir/Madam,

Sub : Financial Results

In Compliance with Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Audited Financial Results for the quarter and year ended on 31st March, 2022, approved by the Board of Directors of the Company in their meeting held on 19th May, 2022.

The date of Annual General Meeting and Book Closure will be informed in due course of time

The Meeting of Board of Directors of the Company commenced at 12.15 hrs. and concluded at 15·30 hrs.

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)
TEL. : +91-0260-2642745/46, 2643861/62 • **FAX :** +91-0260-2642297 **E-mail :** admin@jbfmail.com
(ISO 9001, 14001, 18001 CERTIFIED) **CIN** : L99999DN1982PLC000128

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

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2022

(Rs. In Lakh except per share data)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
1	**Income**					
	a) Revenue From Operations	74,572	85,950	77,768	327,223	220,545
	b) Other Income (Refer note no-5)	528	1,076	67	1,996	1,073
	Total Income	75,100	87,026	77,835	329,219	221,618
2	**Expenses**					
	a) Cost of materials consumed	43,659	63,494	66,140	240,832	167,352
	b) Purchases of Stock- in- trade	187	-	14	187	114
	c) Changes in inventories of Finished goods and work-in-progress	9,077	429	(11,642)	6,883	(4,097)
	d) Employee benefits expense	2,995	2,411	2,261	9,936	8,320
	e) Finance Costs (Refer note no-3)	5,948	6,316	5,528	24,917	24,302
	f) Depreciation and amortisation expense	2,061	2,202	2,155	8,710	8,778
	g) Other Expenses	13,237	12,554	11,372	46,366	35,566
	Total Expenses	77,164	87,406	74,828	337,831	240,335
3	**Profit/(Loss) before Exceptional Items and tax (1- 2)**	(2,064)	(380)	3,007	(8,612)	(18,717)
4	**Exceptional Items (Refer note no-2)**	107,747	292	267	108,285	267
5	**Profit/(Loss) before Tax (3-4)**	(109,811)	(672)	2,740	(116,897)	(18,984)
6	**Tax Expenses**					
	a) Current Tax	-	-	-	-	-
	b) Deferred Tax	16	2	(42)	21	6
	c) Short/(Excess) Provision of Tax of Earlier Years (Net)	-	-	82	129	363
	Total Tax Expense	16	2	40	150	369
7	**Net Profit/(Loss) for the Period/Year (5 - 6)**	(109,827)	(674)	2,700	(117,047)	(19,353)
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	(47)	(4)	118	(60)	(18)
	b) Income tax effect on above	16	2	(42)	21	6
	ii) Items that will be reclassified to profit or loss					
	Total Other Comprehensive Income	(31)	(2)	76	(39)	(12)
9	**Total Comprehensive Income for the Period / Year (7+8)**	(109,858)	(676)	2,776	(117,086)	(19,365)
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
11	Other Equity excluding Revaluation Reserve	-	-	-	(106,018)	11,069
12	Earning per equity share: Basic & Diluted (Not Annualised)*	(134.15)*	(0.82)*	3.30*	(142.97)	(23.64)

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

JBF INDUSTRIES LIMITED

STATEMENT OF ASSETS & LIABILITIES AS AT 31ST MARCH, 2022

(Rs in Lakh)

	Particulars	As at 31st March, 2022 (Audited)	As at 31st March, 2021 (Audited)
I.	**ASSETS**		
1	**Non-current assets:**		
	(a) Property, Plant and Equipment	111,777	117,684
	(b) Capital work-in-progress	2,715	2,877
	(c) Investment Property	23	23
	(d) Other Intangible assets	70	220
	(e) Financial Assets		
	(i) Investments	39,672	42,388
	(ii) Others	3,397	15,414
	(f) Other non-current assets	6,542	7,216
	Total Non-Current Assets	164,196	185,822
2	**Current assets**		
	(a) Inventories	26,425	33,605
	(b) Financial Assets		
	(i) Trade receivables	36,111	31,079
	(ii) Cash and cash equivalents	14,031	1,969
	(iii) Bank balances other than (ii) above	18	774
	(iv) Loans	6,660	79,184
	(v) Others	1,025	12,180
	(c) Current Tax Assets (Net)	-	-
	(d) Other current assets	10,441	12,461
	Total Current Assets	94,711	171,252
	Total Assets	258,907	357,074
II.	**EQUITY AND LIABILITIES**		
	Equity		
	(a) Equity Share capital	8,187	8,187
	(b) Other Equity	(106,018)	11,069
	Total Equity	(97,831)	19,256
	Liabilities		
1	**Non-current liabilities**		
	(a) Financial Liabilities		
	(i) Borrowings	-	-
	(ii) Lease Liabilities	2,126	1,036
	(b) Provisions	1,262	1,335
	(c) Deferred tax liabilities (net)		-
	Total Non-Current Liabilities	3,388	2,371
2	**Current liabilities**		
	(a) Financial Liabilities		
	(i) Borrowings	244,364	249,743
	(ii) Lease Liabilities	454	29
	(iii) Trade Payables:-		
	Total outstanding dues of Micro & Small Enterprises	1,501	1,953
	Total outstanding dues of Creditors other than Micro & Small Enterprises	8,499	10,950
		10,000	12,903
	(iv) Other financial liabilities	95,323	70,110
	(b) Other Current liabilities	1,395	1,506
	(c) Provisions	1,581	816
	(d) Current Tax Liabilities (Net)	233	340
	Total Current Liabilities	353,350	335,447
	Total Equity and Liabilities	258,907	357,074



JBF INDUSTRIES LIMITED

Continuation Sheet.....

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2022

(Rs in Lakh)

Particulars	For the year ended 31st March, 2022 (Audited)		For the year ended 31st March, 2021 (Audited)	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Loss Before Tax as per Statement of Profit and Loss		(116,897)		(18,984)
Adjusted for :				
Depreciation, Amortisation and Impairment Expense	8,710		8,778	
Unrealised (Gain)/Loss on Foreign Currency Transactions (Net)	(348)		(833)	
Loss on Sale of Property, Plant and Equipment (Net)	29		10	
(Gain)/Loss on Financial Instruments Measured at Fair Value Through Profit or Loss (Net)	(34)		(15)	
Finance Costs	24,917		24,302	
Bad Debt	-		226	
Recovery from Doubtful Debts	(62)		-	
Divident Income {Rs. 36,000 (P.Y. Rs. 24,000)}	-		-	
Interest Income	(152)		(342)	
Sundry Balances Written Off / (Back) (Net)	268	33,328	6	32,132
Operating Profit Before Working Capital Changes		**(83,569)**		**13,148**
Adjusted for :				
Trade & Other Receivables		(10,335)		(3,475)
Inventories		7,180		(2,974)
Trade and Other Payables		(2,709)		(1,722)
Cash from Operations		(89,433)		4,977
Direct taxes Refund/(paid)		(235)		5,087
		(89,668)		**10,064**
Exceptional Items		108,285		267
Net Cash from Operating Activities		**18,617**		**10,331**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment		(866)		(440)
Sale of Property, Plant and Equipment		10		4
Loan given to subsidiaries		(92)		-
Proceeds from Sale of Financial Assets		25		-
Interest on Investment / Loans		14		30
Net Cash used in Investing Activities		**(909)**		**(406)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Movement in Long Term Borrowings (net)		(213)		(877)
Movement in Short Term Borrowings (net)		(488)		136
Margin Money (Net)		(161)		(2,219)
Payment of Lease Liabilities		(414)		(173)
Finance Costs Paid		(4,370)		(5,909)
Net Cash used in Financing Activities		**(5,646)**		**(9,042)**
Net Increase in Cash and Cash Equivalents (A+B+C)		**12,062**		**883**
Opening Balance of Cash and Cash Equivalents		1,969		1,086
Closing Balance of Cash and Cash Equivalents		**14,031**		**1,969**

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Notes :

1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 19th May, 2022.

2 Exceptional items for the quarter and year ended 31st March, 2022 represent provision for doubtful debts in respect of trade receivables, untilised coal cess credit written off, exposure in its step down subsidiary namely JBF Petrochemicals limited ("JPL") by way of investment in Deemed equity, loans including interest and Trade & other receivables. Exceptional items for the quarter and year ended 31st March, 2021 represent provision for doubtful debts in respect of trade receivables as well as other receivables (net).

3 The Company has provided interest @ 9% p.a. on monthly compounding basis on Term Loans and simple interest in Cash Credit Limits and Cumulative Redeemable Preference Shares (CRPS) on its borrowings aggregating to Rs. 2,53,004 lakh (Term Loan Rs. 69,746 lakhs and Cash Credit Rs. 1,71,862 lakhs and CRPS Rs. 11,396 lakh) as against the documented rate as required as per IND AS -23 "Borrowing Costs" read with IND AS-109 on "Financial Instruments" since Company expects that ultimate interest liability will not be more than 9% p.a. Aggregate amount of interest not provided for as at 31st March, 2022 is Rs. 70,423 lakh. Accordingly, finance costs for the quarter ended 31st March, 2022, for the quarter ended 31st December, 2021, for the quarter ended 31st March, 2021, for the year ended 31st March, 2022 and for the year ended 31st March, 2021 is lower by Rs. 7,468 lakh, Rs. 7,387 lakh, Rs. 7,305 lakh, Rs. 28,320 lakh, and Rs. 17,801 lakh respectively. 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. 3,52,148 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.1,91,269 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 March, 2022 has an aggregate exposure of Rs. 1,05,722 lakh (excluding corporate guarantee as mentioned in note no. 4 above) in its step down subsidiary namely JBF Petrochemicals limited ("JPL") by way of investment in Deemed equity of Rs. 2,750 lakh, loans including interest of Rs. 89,207 lakh and Trade & other receivables of Rs. 13,765 lakh.

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 who had filed a Company petition before National Company Law Tribunal (NCLT), Ahmedabad under Insolvency and Bankruptcy Code, 2016 has been admitted vide order dated 28th January, 2022. Consequent to the admission, the Resolution Professional (RP) has been appointed and the Board of JPL has been suspended. The RP has stepped into the shoes of the Management of JPL. In light of above, management has carried out impairment testing and decided to make full provision against total exposure of Rs. 1,05,722 lakh.

Further, the Company has discontinued recognition of interest income on Inter- corporate deposits amounting to Rs. 78,139 lakh given by it to JPL w.e.f.1st April 2018 and accordingly interest income for the quarter ended 31st March, 2022, for the quarter ended 31st December, 2021, for the quarter ended 31st March, 2021, for the year ended 31st March, 2022 and for the year ended 31st March, 2021 is lower by Rs. 2,408 lakh, Rs. 2,459 lakh, Rs. 2,275 lakh, Rs. 9,522 lakh and Rs. 9,548 lakh respectively.

In addition to above, The Company as on 31st March, 2022, has an exposure of Rs. 46,922 lakh in its subsdiary namely JBF Global Pte Ltd ("JGPL") by way of investment in Equity Rs. 39617 lakh, loan and including interest thereon Rs. 7,305 lakh.
JBF RAK LLC's plant located at Ras al-Khaimah in U.A.E, a subsidiary of JGPL partially resumed operations in the month of April 2021. JBF RAK is working closely to resolve and address outstanding financial issues with its lenders.

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 in JGPL 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.

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JBF INDUSTRIES LIMITED

6 The Company has under gone severe financial stress during the last 4-5 years due to suspension of operations of its subsidiary JPL, rising crude oil prices and undesirable market conditions. All these factors have resulted in financial constraints to the Company, including no credit limits from any of its lenders, losses in operations, default in repayment of principal and interest to lenders, classification of Company's borrowings as non- performing assets by its lenders, declaration as wilful defaulter by one of the lenders and calling back of loans by some of the lenders. Further one of the operational creditors has applied before NCLT, under the Insolvency and Bankruptcy Code, 2016, which has not been admitted and also one of the lenders application before NCLT under the Insolvency and Bankruptcy Code, 2016, has been dismissed and disposed off by the Court. However, the said lender has filed further appeal before NCLAT, which has been subsequently withdrawn vide order dated 12th November 2021.

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 statements 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) and Chief Financial Officer (CFO) of the Company had tendered their resignations from the post of CEO and CFO with effect from 1st May, 2019 and 2nd March, 2020 respectively. Management of the Company is actively looking out for suitable candidates to fill in the above vacancies. 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 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 were impacted due to COVID-19. However, it has no further significant impact with respect to COVID 19 pandemic during the quarter and year ended March 31, 2022.

10 One of the operational creditors of JBF RAK LLC, situated at UAE (JBF RAK), a subsidiary of the Company, had made an application before the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016 against the Company, for supply of raw materials to JBF RAK and claimed an amount of Rs. 12,848 lakh (US$ 19,899,091.53) as per notice dated 17th February, 2020. Management is of the opinion that in view of the on-going negotiations with the above creditor by JBF RAK and based on past settlement by the Company with above creditor 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.

11 Company has received an intimation from CFM Asset Reconstruction Private Limited (CFM) that all the existing lenders of the Company except Tamilnadu Mercantile Bank Ltd has assigned their debts along with all the rights and interest to CFM w.e.f. 13th August, 2021.
Further to the above intimation, the Company has received demand notice from CFM, under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("Sarfaesi Act") and the Rules framed thereunder for recovery of their dues. In response, to the demand notice u/s 13(2) of the SARFAESI Act, 2002, the Company has given an "in-principle" consent of handing over the secured assets of the Company to CFM, subsequently CFM has taken physical possessions of all the secured assets of the Company on 11th November, 2021. Currently, CFM is managing/monitoring the day-to-day plant & corporate operations.
Further, on 11th May, 2022, the Company was in receipt of an intimation for sale of Secured Assets by way of private treaty under the SARFAESI Act, 2002 from CFM. The said intimation of sale mentioned the date of sale as 13th June, 2022.

12 Company has received demand notice from Tamilnadu Mercantile Bank Ltd, under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("Sarfaesi Act") and the Rules framed thereunder for recovery of their dues vide letter dated 23rd November, 2021.

13 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.

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

By order of the Board of Directors

SEETHARAM N SHETTY
DIRECTOR
DIN-07962778

Place : Mumbai
Date : 19th May, 2022

S. C. AJMERA & CO. CHARTERED ACCOUNTANTS FRN 001208C

JBF INDUSTRIES LIMITED

S.C. Ajmera & Co
Chartered Accountants

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

To
The Board of Directors,
JBF Industries Limited.

Qualified Opinion

We have audited the accompanying Statement of Standalone Financial Results of **JBF INDUSTRIES LIMITED** (the "Company") for the quarter and year ended March 31, 2022 (the "statement"), 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.

In our opinion and to the best of our information and according to the explanations given to us except for the possible effects of the matters described in the "Basis for Qualified Opinion" section of our report, the statement:

a) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

b) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards ("Ind AS") and other accounting principles generally accepted in India for the net loss and other comprehensive income and other financial information of the Company for the quarter and year then ended March 31, 2022.

Basis for Qualified Opinion

(i) As mentioned in Note 3 to the statement, provision of interest @ 9% p.a. on its borrowings aggregating to Rs.2,53,004 lakhs for the year ended from1st April 2021 to 31st March 2022 as against the documented rate, resulting into lower provision of finance cost for the quarter and year ended 31stMarch, 2022 by Rs.7468 lakhs and Rs. 28320 lakhs respectively, which is not in compliance with Ind AS -23 "Borrowings Costs" read with Ind AS-109 on "Financial Instruments". Aggregate amount of Interest not provided for as at 31stMarch, 2022 is Rs. 70,423 lakhs. Had the interest been provided at the documented rate, finance cost, net loss after tax for the period/year, total comprehensive income and EPS for the quarter and year ended 31stMarch, 2022 would have been Rs. 13,416 lakhs and Rs. 53,237 lakhs, Rs. (1,17,295) lakhs and Rs. (1,45,367) lakhs, Rs. (1,17,326) lakhs and Rs. (1,45,406) lakhs, and Rs. (143.27) and Rs. (177.56) respectively as against the reported figure of Rs. 5,948 lakhs and Rs. 24,917 lakhs, Rs. (1,09,827) lakhs and Rs. (1,17,047) lakhs, Rs. (1,09,858) lakhs and Rs. (1,17,086) lakhs and Rs. (134.15) and Rs. (142.97) respectively in the above results.

(ii) As mentioned in the Note 5 to the statement, company has exposure in its subsidiary 'JBF Global Pte Ltd.' by way of investments, loans and interest thereon aggregating to Rs. 46,922 lakhs (as at 31st March, 2021 Rs. 46809 lakhs) in respect of which the company could not carry out impairment assessments due to the reasons mentioned therein. We are unable to obtain sufficient appropriate audit evidence about the recoverable amount of the Company's exposure. Consequently, we are unable to quantify the provisions for impairments in respect of the above and its consequential impacts on the financial results of the Company.

(iii) As mentioned in Note 10 to the statement regarding the application filed with the National Company Law Tribunal (NCLT), by one of the operational creditors of JBF RAK LLC (JBF RAK), situated at UAE, a subsidiary of the company, against the Company, for supply of raw materials to JBF RAK and claim of Rs. 12,848 Lakhs (US$ 19,899,091.53) as per notice dated 17th February, 2020. No provision has been considered for the above claim for the reasons stated therein. The matter described in above has uncertainties related to the outcome of the legal proceedings and hence we are unable to quantify the provisions for above claim at this stage, if any, and its consequential impacts on the financial results of the Company.

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

Material Uncertainty Related to Going Concern

Note 6, 11 and 12 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, lenders have classified the Company's borrowings as NPA, one of the lender has declared the company as wilful defaulter also and have even called back the loans. Further one of the operating creditors have applied before NCLT under Insolvency and Bankruptcy Code, 2016, which has not been admitted and also one of the lenders application before NCLT under the Insolvency and Bankruptcy Code, 2016, has been dismissed and

disposed off by the Court. However, the said lender has filed an appeal before NCLAT, which has been subsequently withdrawn.
Further, the company has received intimation from CFM Asset Reconstruction Private Limited (CFM) that all the existing lenders of the Company except Tamil nadu Mercantile Bank Ltd have assigned their debts along with all the rights and interest to CFM w.e.f. 13th August, 2021.

The Company has also received demand notice from CFM and Tamil nadu Mercantile Bank Ltd (vide letter dated 23rd November, 2021), under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("Sarfaesi Act") and the Rules framed thereunder for recovery of their dues. In response, to the demand notice u/s 13(2) of the SARFAESI Act, 2002.

The Company has given an "in-principle" consent of handing over the secured assets of the Company to CFM, subsequently CFM has taken symbolic possessions of all the secured assets of the Company on 11th November, 2021. Currently, CFM is managing/monitoring the day-to-day plant & corporate operations. Further, the Company was in receipt of an intimation from CFM on 11th May 2022, for sale of Secured Assets by way of private treaty under the SARFAESI Act, 2002. The said intimation of sale mentioned the date of sale as 13th June 2022.

Further, the Net worth of the company has turned into negative to Rs. 97831 Lakhs as on 3103.2022.

These conditions, along with other matters as set forth in above notes indicate the existence of material uncertainty that may cast significant doubt about Company's ability to continue as a going concern. The appropriateness of assumption of Going Concern is critically dependent upon the Company's ability to raise finance and generate cash flows in future to meet its obligation.

Our opinion is not modified in respect of this matter.

Emphasis of Matter
We draw your attention to:-

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

S. C. AJMERA & CO. FRN 002308C CHARTERED ACCOUNTANTS

(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.

Our opinion is not modified in respect of these matters.

Management's Responsibilities for the Standalone Financial Results

This Statement, which includes the Standalone financial results is the responsibility of the Company's Board of Directors, and has been prepared on the basis of the standalone financial statements. The Company's Board of Directors are responsible for the presentation of these standalone financial statements that give a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Ind AS, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the financial reporting process of the Company.

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

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of

our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

We report that the figures for the quarter ended 31st March, 2022 represent derived figures between the audited figures in respect of the financial year ended 31st March, 2022 and the published unaudited year-to-date figures up to 31st December, 2021 being the date of the end of the third quarter of the current financial year, which were subjected to a limited review by us.

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

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

(ArunSarupria – Partner)
M.No. 078398
UDIN : 22078398AJFULS8336

Place : Udaipur
Date : 19.05.2022