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/ 10th September, 2020

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, 2020, approved by the Board of Directors of the Company in their meeting held on 10th September, 2020.

The Company has not declared any dividend on equity shares for the year ended on 31st March, 2020.

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 19.00hrs.

Kindly acknowledge the receipt of the same.

Thanking you,

Yours Faithfully,
For JBF INDUSTRIES LIMITED

S N SHETTY
ADDITIONAL DIRECTOR

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, (D & NH)
CIN : L99999DN1982PLC000128

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

(Rs. In Lakh except per share data)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
		31.03.20	31.12.19	31.03.19	31.03.20	31.03.19
1	**Income**					
	a) Revenue From Operations	66,941	72,747	64,252	281,290	295,827
	b) Other Income (Refer note no-6)	271	1,590	(242)	2,661	1,913
	Total Income	**67,212**	**74,337**	**64,010**	**283,951**	**297,740**
2	**Expenses**					
	a) Cost of materials consumed	54,583	57,464	60,367	225,635	243,705
	b) Purchases of Stock- in- trade	313	-	-	313	42
	c) Changes in Inventories of Finished goods and work-in-progress	(1,137)	1,081	(5,167)	157	(1,960)
	d) Employee benefits expense	2,289	1,908	2,137	8,836	7,938
	e) Finance Costs (Refer note no-4)	6,456	6,242	5,848	24,851	25,161
	f) Depreciation and amortisation expense	2,258	2,371	2,396	9,448	9,946
	g) Other Expenses	10,463	10,877	9,532	41,336	38,111
	Total Expenses	**75,225**	**79,943**	**75,113**	**310,576**	**322,943**
3	**Loss before Exceptional Items and tax (1- 2)**	**(8,013)**	**(5,606)**	**(11,103)**	**(26,625)**	**(25,203)**
4	**Exceptional Items (Refer note no-3)**	6,741	-	5,602	**6,741**	**69,792**
5	**Loss before Tax (3-4)**	**(14,754)**	**(5,606)**	**(16,705)**	**(33,366)**	**(94,995)**
6	**Tax Expenses**					
	a) Current Tax	-	-	-		-
	b) Deferred Tax	37	(57)	(33)	(16)	(19,186)
	Total Tax Expense	**37**	**(57)**	**(33)**	**(16)**	**(19,186)**
7	**Net Loss for the Period/Year (5 - 6)**	**(14,791)**	**(5,549)**	**(16,672)**	**(33,350)**	**(75,809)**
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	(163)	(6)	36	(181)	(23)
	b) Income tax effect on above	57	2	(13)	63	8
	ii) Items that will be reclassified to profit or loss	-	-			-
	Total Other Comprehensive Income	**(106)**	**(4)**	**23**	**(118)**	**(15)**
9	**Total Comprehensive Income for the Period / Year (7+8)**	**(14,897)**	**(5,553)**	**(16,649)**	**(33,468)**	**(75,824)**
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	-	-	-	29,759	62,182
12	Earning per equity share: Basic & Diluted (Not Annualised)*	(18.07)*	(6.78)*	(20.36)*	(40.73)	(92.59)

JBF Industries Ltd.

Statement of Assets & Liabilities as at 31st March, 2020 is as under :

(Rs in Lakh)

	Particulars	As at 31st March, 2020 (Audited)	As at 31st March, 2019 (Audited)
I.	**ASSETS**		
1	**Non-current assets:**		
	(a) Property, plant and equipment	126,107	134,041
	(b) Capital work-in-progress	2,592	2,560
	(c) Investment property	23	23
	(d) Other Intangible assets	415	611
	(e) Financial assets		
	(i) Investments	42,373	42,374
	(ii) Others	13,168	13,172
	(f) Other non-current assets	7,055	6,517
	Total Non-Current Assets	**191,733**	**199,298**
2	**Current assets**		
	(a) Inventories	30,631	30,516
	(b) Financial assets		
	(i) Trade receivables	28,196	31,875
	(ii) Cash and cash equivalents	1,086	1,298
	(iii) Bank balances other than (ii) above	755	3,893
	(iv) Loans	83,843	83,309
	(v) Others	13,913	12,696
	(c) Current Tax Assets (Net)	3,059	4,069
	(d) Other current assets	9,777	8,961
	Total Current Assets	**171,260**	**176,617**
	Total Assets	**362,993**	**375,915**
II.	**EQUITY AND LIABILITIES**		
	Equity		
	(a) Equity share capital	8,187	8,187
	(b) Other equity	29,759	62,182
	Total Equity	**37,946**	**70,369**
	Liabilities		
1	**Non-current liabilities**		
	(a) Financial liabilities		
	(i) Borrowings	-	-
	(ii) Other Financial Liabilities	1,065	2,255
	(b) Provisions	1,151	992
	(c) Deferred tax liabilities (net)	-	-
	Total Non-Current Liabilities	**2,216**	**3,247**
2	**Current liabilities**		
	(a) Financial liabilities		
	(i) Borrowings	182,021	162,303
	(ii) Trade Payables		
	Total outstanding dues of Micro & Small Enterprises	1,991	1,325
	Total outstanding dues of Creditors other than Micro & Small Enterprises	12,418	38,969
		14,409	40,294
	(iii) Other Financial Liabilities	124,091	98,493
	(b) Other Current liabilities	1,497	500
	(c) Provisions	813	709
	Total Current Liabilities	**322,831**	**302,299**
	Total Equity and Liabilities	**362,993**	**375,915**

JBF Industries Ltd.

JBF INDUSTRIES LIMITED **Continuation Sheet.....**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2020

(Rs in Lakh)

Particulars	For the year ended 31st March, 2020 (Audited)		For the year ended 31st March, 2019 (Audited)	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Loss Before Tax as per Statement of Profit and Loss		(33,366)		(94,995)
Adjusted for :				
Depreciation, Amortisation and Impairment Expense	9,448		9,946	
Unrealised Loss on Foreign Currency Transactions (Net)	1,498		832	
Loss on Sale of Property, Plant and Equipment (Net)	11		40	
Loss on Financial Instruments Measured at Fair Value Through Profit or Loss (Net)	1		57	
Finance Costs	24,851		25,161	
Bad Debt	131		-	
Interest Income	(1,468)		(198)	
Sundry Balances Written Off / (Back) (Net)	4	34,476	(95)	35,743
Operating Profit/(Loss) Before Working Capital Changes		**1,110**		**(59,252)**
Adjusted for :				
Trade & Other Receivables		(3,009)		4,854
Inventories		(115)		4,457
Trade and Other Payables		(25,205)		2,540
Cash used in Operations		**(27,219)**		**(47,401)**
Direct taxes Refund/ (Paid)		1,009		(22)
		(26,210)		**(47,423)**
Exceptional Items		6,741		69,792
Net Cash from/(used in) Operating Activities		**(19,469)**		**22,369**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment		(224)		(493)
Sale of Property, Plant and Equipment		6		47
Interest on Investment / Loans		43		-
Net Cash used in Investing Activities		**(175)**		**(446)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Movement in Long Term Borrowings (net)		-		(2,529)
Movement in Short Term Borrowings (net)		19,719		(701)
Margin Money (Net)		3,099		(3,451)
Net Loss on Foreign Currency Transactions		-		(468)
Lease Payments		(163)		-
Finance Costs Paid		(3,223)		(15,327)
Net Cash from/ (used in) Financing Activities		**19,432**		**(22,476)**
Net Decrease in Cash and Cash Equivalents (A+B+C)		**(212)**		**(553)**
Opening Balance of Cash and Cash Equivalents		1,298		1,851
Closing Balance of Cash and Cash Equivalents		**1,086**		**1,298**

JBF Industries Ltd.

Notes :

1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 10th September, 2020.

2 Effective 1st April, 2019, the Company has adopted Ind AS 116- "Leases" under the modified retrospective approach without adjustment of comparatives. This has resulted in recognizing a right to use asset and a corresponding lease liability of Rs. 1176 lakh as at 1st April, 2019. Due to transition, the nature of expenses in respect of non- cancellable operating lease has changed from lease rent to depreciation and finance cost for the right to use assets and lease liability respectively. The application of the above standard did not have any material impact on financial results of the Company.

3 Exceptional items for the quarter and year ended 31st March, 2020 represent provision for doubtful debts in respect of trade receivables and other receivables and exceptional items for the quarter and year ended 31st March, 2019 represents provision for doubtful debts in respect of trade receivables, inter-corporate deposits and other receivables.

4 The Company has provided interest @ 9% p.a. on its borrowings aggregating to Rs. 2,61,865 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 March, 2020 is Rs. 24,302 lakh. Accordingly, finance costs for the quarter ended 31st March, 2020, for the quarter ended 31st December, 2019, for the quarter ended 31st March, 2019, for the year ended 31st March 2020 and for the year ended 31st March, 2019 is lower by Rs. 3,623 lakh, Rs. 3,315 lakh, Rs. 2,411 lakh, Rs. 13,986 lakh and Rs. 10,316 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.

5 The Company had issued a corporate guarantee of USD 463.96 Million (equivalent of Rs. 3,49,675 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. 1,89,926 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.

6 The Company as on 31st March, 2020 has an aggregate exposure of Rs. 1,51,569 lakh (excluding corporate guarantee as mentioned in note no. 5 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. 95,437 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. 5 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 March, 2020, for the quarter ended 31st December, 2019, for the quarter ended 31st March, 2019, for the year ended 31st March, 2020 and for the year ended 31st March, 2019 is lower by Rs. 2,400 lakh, Rs. 2,427 lakh, Rs. 2,380 lakh, Rs. 9,654 lakh and Rs. 9,421 lakh respectively.

7 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 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.

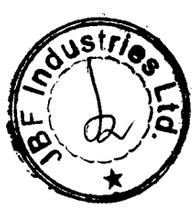
Inter Credit Agreement (ICA) executed by the lenders for the resolution of the Company's accounts in pursuant to RBI Circular on 6th July, 2019 has been expired on 7th January, 2020.

Consortium of lenders led by one of the bankers have undertaken a competitive bid process for change in control and management of the Company along with settlement of outstanding debt or only for settlement of outstanding debt, which was completed. However, the bidding had not been materialised. Further lenders are also evaluating various options that are available to them for recovery of their dues/ resolution of the Company's account.

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.

8 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 results for the quarter ended 31st December, 2019, for the quarter ended 30th September, 2019, for the quarter ended 30th June, 2019 and on financial statements for the financial year ended 31st March, 2019.

9 Chief Executive Officer (CEO) of the Company had tendered his resignation from the post of CEO with effect from 1st May, 2019. Management of the Company is in the process to find out the suitable person to fill the above vacancy. The same has been referred by the auditors in their report on results and was also referred by the auditors in their report on results for the quarter ended 31st December, 2019 and for the quarter ended 30th September, 2019. Further Chief Financial Officer (CFO) of the Company has also tendered his resignation from the post of CFO with effect from 2nd March, 2020. The same has been referred by the auditors in their report on results.



10 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.

11 The outbreak of COVID-19 virus continues to spread across the globe including India and has caused significant disruption of businesses including our Company. Initially, the Company had to shut down its manufacturing facilities located at Silvassa (Athola & Saily) & Gujrat (Sarigam). The Corporate Office in Mumbai has also been shut down following nationwide lock down by the Government of India in the last week of March 2020. This to some extent impacted financial results for the quarter ended 31st March 2020. Production and supply started in a phased and gradual manner during April to June, 2020 in a staggered manner after obtaining the necessary permissions from the appropriate government authorities. As per the prescribed guidelines of Government, our corporate office has also re-opened by allowing minimum staff to work from office premises and rests are still continuing to work from home. In assessing the recoverability of Company's assets such as Trade receivable and Inventories etc., the Company has considered internal and external information upto the date of approval of these financial results and expects to recover the carrying amount of the above. However, the management will continue to closely monitor the evolving situation and assess its impact on the operations of the Company. The actual effects of COVID-19 could be different from what is presently assessed and would be known only in due course of time. The same has been referred by the auditors in their report on results.

12 The Company has sent emails to various parties for confirmations of balances under trade receivables and payables, to which only some parties have responded. Balances of those parties for which confirmations have not been received are subject to confirmation and the management does not expect any significant impact on account of it. The same has been referred by the auditors in their report on results.

13 Other Current assets as at 31st March, 2020 includes Rs. 690 lakh given to one of the supplier of the Company as advance 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 qualified by the auditors in their report on the results.

14 During the quarter, one of the operational creditors of JBF RAK LLC, situated at UAE (JBF RAK), a subsidiary of the Company, has made an application with National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016 against the Company, for supply of raw materials to JBF RAK and claimed for a debt of Rs. 12,848 lakh (US$ 19,899,091.53). 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 qualified by the auditors in their report on the results.

15 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.

16 The figures for the corresponding previous period/year have been regrouped/re-arranged wherever necessary, to make them comparable. The figures for the quarter ended 31st March, 2020 are the balancing figures between the audited figures of the full financial year and the published year to date figures upto the third quarter of the financial year.

By order of the Board of Directors



SEETHARAM N SHETTY
ADDITIONAL DIRECTOR
DIN-07962778

Place : Mumbai
Date : 10th September, 2020

Pathak H.D. & Associates LLP
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF

JBF INDUSTRIES LIMITED

Report on the audit of the Standalone Financial Results

Qualified Opinion
We have audited the accompanying standalone quarterly financial results of **JBF Industries Limited** ("the company") for the quarter ended 31st March, 2020 and the year to date results for the year ended from 1st April, 2019 to 31st March, 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, as amended ("Listing Regulations").

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:

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

ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information for the quarter ended 31st March, 2020 and the year to date results for the year ended from 1st April, 2019 to 31st March, 2020.

Basis for Qualified Opinion

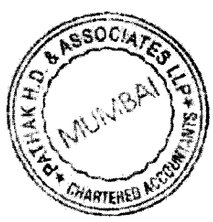
(i) As mentioned in the Note 6 to the statement, Company has exposure in subsidiaries by way of investments, loans and other receivables aggregating to Rs. 1,51,569 lakh (as at 31st March, 2019 Rs. 1,50,824 lakh) ,in respect of which the Company could not carry out impairment assessments due to the reasons 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.

PATHAK H.D. & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

(ii) *As mentioned in Note 13 to the statement, Other Current assets as at 31st March, 2020 includes Rs. 690 lakh given to one of the suppliers of the Company as advance 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 the recoverability of the above advance and its consequential impacts on the financial results of the Company.*

(iii) *As mentioned in the Note 4 to the statement, provision of interest @ 9% p.a. on its borrowings aggregating to Rs. 2,61,865 lakh for the year ended from 1st April 2019 to 31st March, 2020 as against the documented rate, resulting into lower provision of finance cost for the quarter and year ended 31st March 2020 by Rs. 3,623 lakh & Rs. 13,986 lakh respectively, which is not in compliance with IND AS -23 "Borrowings Costs" read with IND AS-109 on "Financial Instruments". 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 31st March 2020 would have been Rs. 10,079 lakh & 38,837 lakh, Rs. (18,414) lakh & Rs. (47,336) lakh, Rs. (18,520) lakh & Rs. (47,454) lakh and Rs. (22.49) & Rs. (57.82) respectively as against the reported figure of Rs. 6,456 lakh & Rs. 24,851 lakh, Rs. (14,791) lakh & Rs, (33,350) lakh, Rs. (14,897) lakh & Rs. (33,468) lakh and Rs. (18.07) & Rs. (40.73) respectively in the above results. Further current financial liabilities-others and other equity as at 31st March 2020 would have been Rs. 148,393 lakh and Rs. 5,457 lakh respectively as against reported figure of Rs. 124,091 lakh and Rs. 29,759 lakh respectively in the above results.*

(iv) *As mentioned in Note 14 to the statement, regarding the application filed with National Company Law Tribunal (NCLT), by the one of the operational creditors of JBF RAK LLC (JBF RAK), situated at UAE, a subsidiary of the Company, against the Company, for supply of raw materials to JBF RAK and claim of Rs 12,848 lakh (US$ 19,899,091.53). 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.*



Continuation sheet...

We conducted 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 Responsibilities 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 is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Note 7 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, declared as wilful defaulter also, some of the lenders have even called back the loans and one of the secured lenders has 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 obligations. Our opinion is not modified in respect of this matter.

Emphasis of Matters:

we draw attention to the:-

(i) Note 5 to the statement, regarding invocation of corporate guarantee given by the Company to the lenders of JBF Petrochemical Limited ("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 8 to the statement, regarding non- preparation of consolidated financial statements 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 12 to the statement, regarding the balance confirmations of trade receivables and payables. During the course of preparation of standalone financial statements, emails have been sent to various parties with a request to confirm their balances directly to us, out of which only some parties have responded and accordingly the balances of those parties for which confirmations have not been received are subject to confirmation. The management does not expect any significant impact on account of it.

PATHAK H.D. & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

Continuation sheet...

(iv) Note 9 to the statement, regarding vacancy of the post of Chief Executive Officer and Chief Financial Officer since 1st May, 2019 and 2nd March, 2020 respectively due to the reason as mention therein.

(v) Note 11 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.

(vi) Managerial remuneration of Rs. 47 lakh paid to whole time directors is subject to approvals of shareholders.

Our opinion is not modified in respect of these matters.

Management's Responsibilities for the Standalone Financial Results

The statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared on the basis of the standalone financial statements. The Company's Board of Directors are responsible for the preparation of these standalone financial results that give a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the Indian Accounting Standards 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 of 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 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 are also responsible for overseeing the Company's financial reporting process.



Continuation sheet...

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 control 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 Company's ability 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.

PATHAK H.D. & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

Continuation sheet...

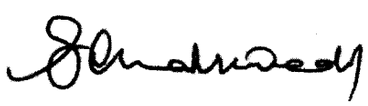
Pathak H.D. & Associates LLP
Chartered Accountants

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

We report that the figures for the quarter ended 31st March, 2020 represent the derived figures between the audited figures in respect of the financial year ended 31st March, 2020 and the published unaudited year-to-date figures up to 31st December, 2019 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 **Pathak H.D. & Associates LLP**
Chartered Accountants
Firm Reg. No. 107783 W/W100593





Gopal Chaturvedi
Partner
Membership No. 090903
UDIN - 20090903AAAADH8514

Place: Mumbai
Date: 10.09.2020

Continuation sheet...

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Statement on Impact of Audit Qualification

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020 on Standalone Financial Statements

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualification)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover/ Total Income	Rs. 2,839.51 Crore	Rs. 2,839.51 Crore
	2.	Total Expenditure	Rs. 3,105.76 Crore	Rs. 3,245.62 Crore
	3.	Net (Loss) [after taxes, before OCI	Rs. (333.50) Crore	Rs. (473.36) Crore
	4.	Earnings Per Share	Rs. (40.73)	Rs. (57.82)
	5.	Total Assets	Rs. 3,629.93 Crore	Rs. 3,629.93 Crore
	6.	Total Liabilities	Rs. 3,250.47 Crore	Rs. 3,493.49 Crore
	7.	Net Worth	Rs. 379.46 Crore	Rs. 136.44 Crore
	8.	Any other financial item(s)	Not Applicable	Not Applicable

II. Audit Qualifications

(a) Details of Audit Qualification:

The auditors of the Company in their report on the Standalone Financial Statements, have reported in their report, that:-

(i) Company has exposure in subsidiaries by way of investments, loans and other receivables aggregating to Rs. 1,515.69 Crore (as at 31st March, 2019 Rs. 1,508.24 Crore) , in respect of which the Company could not carry out impairment assessments. 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 above and its consequential impacts on the financial statements of the Company.

(ii) Other Current assets as at 31st March, 2020 includes Rs. 6.90 Crore given to one of the supplier of the Company as advance 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 the recoverability of above advance and its consequential impacts on the financial statements of the Company.

(iii) Provision of interest @ 9% p.a. on borrowings aggregating to Rs. 2,618.65 Crore for the year from 1st April 2019 to 31st March, 2020 as against the documented rate resulting into lower provision of finance cost for the year ended 31st March 2020 by Rs. 139.86 Crore, which is not in compliance with IND AS -23 "Borrowings Costs" read with IND AS-109 on "Financial Instruments".

JBF Industries Ltd.

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(iv) One of the operational creditors of JBF RAK LLC, situated at UAE (JBF RAK), a subsidiary of the Company, has made an application with National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016 against the Company, for supply of raw materials to JBF RAK and claimed for a debt of Rs. 128.48 Crore (US$ 19,899,091.53). No provision has been considered for the above claim for the reasons stated therein. The matter described in above has uncertainties related to the outcome of the legal proceedings and hence we are unable to quantify the provisions for above claim at this stage, if any, and its consequential impacts on the financial statements of the Company.

(b) Type of Audit Qualification:- Qualified Opinion

(c) Frequency of Audit Qualification: Qualification Referred in II (a) (i) – Since March 2018, in II (a) (ii) -Appeared first time, in II (a) (iii) - Since March 2019 and in II (a) (iv) – Appeared first time.

(d) For Audit Qualification where the impact is quantified by the auditor, Management's Views:

(i) In respect of interest recognition @ 9% p.a. (as referred in II (a) (iii) above) – management is of the view that ultimate liability will not be more than 9% p.a. and continues to recognize the same on 9% p.a. only.

(e) For Audit Qualification where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification: Not Applicable

(ii) If the Management is unable to estimate the impact, reasons for the same:

- In respect of Audit Qualification as referred in (II) (a) (i) above –In respect of exposures in subsidiaries of Rs. 1,515.69 Crore- in view of the negotiation with the lenders of the respective subsidiaries, impairment assessments could not carried out and however Management is confident to recover above amounts.

- In respect of Audit Qualification as referred in (II) (a) (ii) above –unsettlement of advance to supplier since long time - in fact, are running advance to supplier in the normal course of business and management is confident of recovery/settlement in due course of time.

- In respect of Audit Qualification as referred in (II) (a) (iv) above –application filed by one of the operational creditors of JBF RAK LLC, a subsidiary of the Company, against the Company - in view of the negotiation with the above creditors by the JBF RAK LLC 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 and hence, management of the Company does not expect any liability on account of above claim. The company has shown this amount as Contingent Liability.

JBF Industries Ltd.

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	(iii)	Auditors' Comments on (i) or (ii) above:- Refer " Basis for Qualified Opinion " in the Independent Audit Report on the Standalone Financial Statements dated 10th September, 2020
III.	Signatories:	

For JBF Industries Limited

Seetharam N Shetty	**Don Crasto**	**Pravin Prajapati**	**Suresh Choudhary**
(Additional Director)	(CGM- Finance)	(GM- Finance)	(Audit Committee Chairman))

Refer our Independent Auditor's Report dated 10th September, 2020 on the Standalone Financial Statements of the Company.

For Pathak H. D. & Associates LLP
Chartered Accountants
Firm Registration No – 107783W /W100593

Gopal Chaturvedi
Partner
Membership No – 090903

Place: Mumbai
Date: 10.09.2020

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