



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/

31st May, 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 Audited Financial Results for the quarter & year ended on 31st March, 2021, approved by the Board of Directors of the Company in their meeting held on 31st May, 2021.

The Company has not declared any dividend on equity shares for the year ended on 31st March, 2021.

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

S N SHETTY
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,
(Dadra and Nagar Haveli and Daman and Diu)
CIN : L99999DN1982PLC000128

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2021

(Rs. In Lakh except per share data)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
1	Income					
	a) Revenue From Operations	77,768	72,534	66,941	220,545	281,290
	b) Other Income (Refer note no-5)	67	358	271	1,073	2,661
	Total Income	77,835	72,892	67,212	221,618	283,951
2	Expenses					
	a) Cost of materials consumed	65,140	49,358	54,583	167,352	225,635
	b) Purchases of Stock-in-trade	14	45	313	114	313
	c) Changes in Inventories of Finished goods and work-in-progress	(11,642)	3,239	(1,137)	(4,097)	157
	d) Employee benefits expense	2,261	2,173	2,289	8,320	8,836
	e) Finance Costs (Refer note no-3)	5,528	6,522	6,421	24,302	24,710
	f) Depreciation and amortisation expense	2,155	2,207	2,258	8,778	9,448
	g) Other Expenses	11,372	10,614	10,463	35,566	41,336
	Total Expenses	74,828	74,158	75,190	240,335	310,435
3	Profit/(Loss) before Exceptional Items and tax (1- 2)	3,007	(1,266)	(7,978)	(18,717)	(26,484)
4	Exceptional Items (Refer note no-2)	267	-	6,741	267	6,741
5	Profit/(Loss) before Tax (3-4)	2,740	(1,266)	(14,719)	(18,984)	(33,225)
6	Tax Expenses					
	a) Current Tax	-	-	-	-	-
	b) Deferred Tax	(42)	16	37	6	(16)
	c) Short/(Excess) Provision of Tax of Earlier Years (Net)	82	281	-	363	-
	Total Tax Expense	40	297	37	369	(16)
7	Net Profit/(Loss) for the Period/Year (5 - 6)	2,700	(1,563)	(14,756)	(19,353)	(33,209)
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	118	(45)	(163)	(18)	(181)
	b) Income tax effect on above	(42)	16	57	6	63
	ii) Items that will be reclassified to profit or loss					
	Total Other Comprehensive Income	76	(29)	(106)	(12)	(118)
9	Total Comprehensive Income for the Period / Year (7+8)	2,776	(1,592)	(14,862)	(19,365)	(33,327)
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	-	-	-	11,069	30,434
12	Earning per equity share: Basic & Diluted (Not Annualised)*	3.30*	(1.91)*	(18.02)*	(23.64)	(40.56)



STATEMENT OF ASSETS & LIABILITIES AS AT 31ST MARCH, 2021

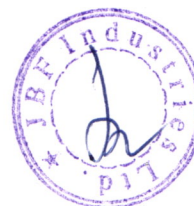
(Rs in Lakh)

Particulars		As at 31st March, 2021 (Audited)	As at 31st March, 2020 (Audited)
I.	ASSETS		
1	Non-current assets:		
	(a) Property, Plant and Equipment	117,684	126,107
	(b) Capital work-in-progress	2,877	2,592
	(c) Investment Property	23	23
	(d) Other Intangible assets	220	415
	(e) Financial Assets		
	(i) Investments	42,388	42,373
	(ii) Others	15,414	13,168
	(f) Other non-current assets	7,216	7,055
	Total Non-Current Assets	185,822	191,733
2	Current assets		
	(a) Inventories	33,605	30,631
	(b) Financial Assets		
	(i) Trade receivables	31,079	28,196
	(ii) Cash and cash equivalents	1,969	1,086
	(iii) Bank balances other than (ii) above	774	755
	(iv) Loans	79,184	83,843
	(v) Others	12,180	13,913
	(c) Current Tax Assets (Net)	-	3,059
	(d) Other current assets	12,461	9,777
	Total Current Assets	171,252	171,260
	Total Assets	357,074	362,993
II.	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity Share capital	8,187	8,187
	(b) Other Equity	11,069	30,434
	Total Equity	19,256	38,621
	Liabilities		
1	Non-current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	-	-
	(ii) Other financial liabilities	1,036	1,065
	(b) Provisions	1,335	1,151
	(c) Deferred tax liabilities (net)	-	-
	Total Non-Current Liabilities	2,371	2,216
2	Current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	180,064	182,021
	(ii) Trade Payables:-		
	Total outstanding dues of Micro & Small Enterprises	1,953	1,991
	Total outstanding dues of Creditors other than Micro & Small Enterprises	10,950	12,418
		12,903	14,409
	(iii) Other financial liabilities	139,818	123,416
	(b) Other Current liabilities	1,506	1,497
	(c) Provisions	816	813
	(d) Current Tax Liabilities (Net)	340	-
	Total Current Liabilities	335,447	322,156
	Total Equity and Liabilities	357,074	362,993



JBF INDUSTRIES LIMITED
Continuation Sheet.....
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2021
(Rs in Lakh)

Particulars	For the year ended 31st March, 2021 (Audited)	For the year ended 31st March, 2020 (Audited)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss Before Tax as per Statement of Profit and Loss	(18,984)	(33,366)
Adjusted for :		
Depreciation, Amortisation and Impairment Expense	8,778	9,448
Unrealised (Gain)/Loss on Foreign Currency Transactions (Net)	(833)	1,498
Loss on Sale of Property, Plant and Equipment (Net)	10	11
(Gain)/Loss on Financial Instruments Measured at Fair Value Through Profit or Loss (Net)	(15)	1
Finance Costs	24,302	24,710
Bad Debt	226	131
Divident Income (C.Y. Rs. 24,000/-)	-	-
Interest Income	(342)	(1,468)
Sundry Balances Written Off / (Back) (Net)	6	4
Operating Profit Before Working Capital Changes	13,148	969
Adjusted for :		
Trade & Other Receivables	(3,475)	(3,009)
Inventories	(2,974)	(115)
Trade and Other Payables	(1,722)	(25,205)
Cash from/(used in) Operations	4,977	(27,360)
Direct taxes Refund	5,087	1,009
	10,064	(26,351)
Exceptional Items	267	6,741
Net Cash from/(used in) Operating Activities	10,331	(19,610)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(440)	(224)
Sale of Property, Plant and Equipment	4	6
Interest on Investment / Loans	30	43
Net Cash used in Investing Activities	(406)	(175)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Movement in Long Term Borrowings (net)	(877)	-
Movement in Short Term Borrowings (net)	136	19,719
Margin Money (Net)	(2,219)	3,099
Lease Payments	(173)	(163)
Finance Costs Paid	(5,909)	(3,082)
Net Cash from/ (used in) Financing Activities	(9,042)	19,573
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	883	(212)
Opening Balance of Cash and Cash Equivalents	1,086	1,298
Closing Balance of Cash and Cash Equivalents	1,969	1,086



Notes :

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 31st May, 2021.
- 2 Exceptional items for the quarter and year ended 31st March, 2021 represent provision for doubtful debts in respect of trade receivables and other receivables (net) and exceptional items for the quarter and 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. 2,36,498 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, 2021 is Rs. 42,103 lakh. Accordingly, finance costs for the quarter ended 31st March, 2021, for the quarter ended 31st December, 2020, for the quarter ended 31st March, 2020, for the year ended 31st March, 2021 and for the year ended 31st March, 2020 is lower by Rs. 7,305 lakh, Rs. 4,217 lakh, Rs. 3,623 lakh, Rs. 17,801 lakh and Rs. 13,986 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. 3,39,461 lakh) to the lenders of JBF Petrochemicals limited ("JPL"), a step down subsidiary. One of the lenders of JPL vide its letter dated 24th April, 2018 invoked corporate guarantee to the extent of USD 252.00 Million (equivalent of Rs.1,84,379 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, 2021 has an aggregate exposure of Rs. 1,46,963 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. 90,831 lakh and other receivables of Rs. 16,515 lakh.

JBF RAK LLC's plant located at Ras al-Khaimah in U.A.E, a subsidiary of JGPL partially resumed commercial operations in month of April 2021. JBF RAK is working closely to resolve and address outstanding financial issues with its lenders. Uncertainty is also faced in respect of PTA project at Mangalore, being executed by JPL, due to suspension of operation as planned and default in servicing of its borrowings towards principle and interest. The lenders of JPL have also invoked the pledged equity shares of JPL held by JGPL and corporate guarantee of the Company 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. 72,764 lakh given by it to JPL w.e.f.1st April 2018 and accordingly interest income for the quarter ended 31st March 2021, for the quarter ended 31st December, 2020, for the quarter ended 31st March, 2020, for the year ended 31st March, 2021 and for the year ended 31st March, 2020 is lower by Rs. 2,275 lakh, Rs. 2,433 lakh, Rs. 2,400 lakh, Rs. 9,548 lakh and Rs. 9,654 lakh respectively.
- 6 The Company has under gone severe financial stress during the last 3-4 years due to suspension of manufacturing operations of its subsidiary JPL, rising crude oil prices and undesirable market conditions. All these factors have resulted in financial constraint to the Company, including no credit limits from any of its lenders, losses in operations, default in repayment of principal and interest to lenders, classification of Company's borrowings as non- performing assets by its lenders, declaration as wilful defaulter by one of the lenders and calling back of loans by some of the lenders. Further one of the lenders' application before NCLT under the Insolvency and Bankruptcy Code, 2016, has been dismissed and disposed off by the Court. However, the said lender has filed an appeal before NCLAT.

All the plants of the Company are operational and the management is of the view that above circumstances will not affect the operations of the Company and hence continue to prepare its financial statement on going concern basis. 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 his resignation from the post of CEO and CFO with effect from 1st May, 2019 and 2nd March, 2020 respectively. Management of the Company is actively looking out for suitable candidates to fill in the above vacancies. However, the current corona virus is not helping matters and filling of these executive positions have been delayed. 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 audited 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 audited standalone financial results and current indicators of future economic conditions.



- 11 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.
- 12 The Company had issued 2.5% & 20% Cumulative Redeemable Preference Shares (CRPS) to a lender in earlier years and redemption was due on 30th September 2020. The Company had accounted the same as financial liability as per IND AS 32 "Financial Instruments Presentation" and accordingly amortised the premium due on redemption along with dividend on the said CRPS as finance cost during its tenure. The amortisation of finance cost resulted in excess amortisation of Rs. 675 lakh up to 31st March 2020. The same has been reversed by increasing 'Other Equity' as at 1st April, 2019 by Rs. 534 lakh, reduction in finance cost for financial year 2019-20 by Rs. 141 lakh (reduction of Rs. 35 lakhs for the quarter ended March 2020). Consequently, this has resulted in reduction in 'Other Financial Liabilities' by Rs. 675 lakhs as on 31st March, 2020
- 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 of last quarter of the current year and previous year are the balancing figures between audited figures in respect of full financial year and the published year to date figures up to the third quarter of the financial year of the current year and previous year.
- 16 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

Place : Mumbai
Date : 31st May, 2021



Seetharam N Shetty
SEETHARAM N SHETTY
DIRECTOR
DIN-07962778

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, 2021 (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.

The audit of financial results for the year ended 31st March 2020 and review of unaudited financial results for the quarter ended 31st March 2020 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 10th September 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.

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, 2021.

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.2,36,498 lakhs for the year ended from 1st April 2020 to 31st March 2021 as against the documented rate, resulting into lower provision of finance cost for the quarter and year ended 31st March, 2021 by Rs.7,305 lakhs and Rs. 17801 lakhs respectively, which is not in compliance with Ind AS -23

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Chartered Accountants

“Borrowings Costs” read with Ind AS-109 on “Financial Instruments”. Aggregate amount of Interest not provided for as at 31st March, 2021 is Rs. 42,103 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 31st March, 2021 would have been Rs. 12,833 lakhs and Rs. 42,103 lakhs, Rs. (4,605) lakhs and Rs. (37,154) lakhs, Rs. (4,529) lakhs and Rs. (37,166) lakhs, and Rs. (5.62) and Rs. (45.38) respectively as against the reported figure of Rs. 5,528 lakhs and Rs. 24,302 lakhs, Rs. 2,700 lakhs and Rs. (19,353) lakhs, Rs. 2,776 lakhs and Rs. (19,365) lakhs and Rs. 3.30 and Rs. (23.64) respectively in the above results. Further current financial liabilities-others and other equity as at 31st March 2021 would have been Rs. 181,921 lakhs and Rs. (31,034) lakhs respectively as against the reported figure of Rs. 139,818 lakhs and Rs. 11,069 lakhs 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. 1,46,963 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 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 11 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,

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Chartered Accountants

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 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, some of the lenders have even called back the loans and one of the secured lenders have applied before NCLT under Insolvency and Bankruptcy Code, 2016 which has been dismissed and disposed off by the Court. However, the said lender has filed an appeal before NCLAT. These conditions, along with other matters as set forth in above note indicate the existence of material uncertainty that may cast significant doubt about Company's ability to continue as a going concern. The appropriateness of assumption of Going Concern is critically dependent upon the Company's ability to raise finance and generate cash flows in future to meet its obligation. Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw your attention to:-

- (i) Note 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.
- (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.
- (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.

S.C. Ajmera & Co
Chartered Accountants

- (v) Managerial Remuneration of Rs. 6.08 lakhs paid to whole time directors appointed from 12th February, 2021 is subject to approvals of shareholders.

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.

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Chartered Accountants

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.

S.C. Ajmera & Co
Chartered Accountants

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, 2021 represent derived figures between the audited figures in respect of the financial year ended 31st March, 2021 and the published unaudited year-to-date figures up to 31st December, 2020 being the date of the end of the third quarter of the current financial year, which were subjected to a limited review by us.



Place : Udaipur
Date :31.05.2021

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

A handwritten signature in blue ink, appearing to read "Arun Sarupria".

(Arun Sarupria – Partner)
Membership No. 078398
UDIN: **21078398AAAABH3862**

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021 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. 2,216.18 Crore	Rs. 2,216.18 Crore
	2.	Total Expenditure	Rs. 2,403.35 Crore	Rs. 2,581.36 Crore
	3.	Net (Loss) [after taxes, before OCI]	Rs. (193.53) Crore	Rs. (371.54) Crore
	4.	Earnings Per Share	Rs. (23.64)	Rs. (45.38)
	5.	Total Assets	Rs. 3,570.74 Crore	Rs. 3,570.74 Crore
	6.	Total Liabilities	Rs. 3,378.18 Crore	Rs. 3,799.21 Crore
	7.	Net Worth	Rs. 192.56 Crore	Rs. (228.47) 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) Provision of interest @ 9% p.a. on borrowings aggregating to Rs. 2,364.98 Crore for the year from 1st April 2020 to 31st March, 2021 as against the documented rate as required as per IND AS -23 "Borrowing Costs" read with IND AS-109 on "Financial Instruments" resulting into lower provision of finance cost for the year ended 31st March 2021 by Rs. 178.01 Crore.
- (ii) Company has exposure in subsidiaries by way of investments, loans and other receivables aggregating to Rs. 1,469.63 Crore (as at 31st March, 2020 Rs. 1,515.69 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.
- (iii) 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) as per notice dated 17th February, 2020. No provision has been considered for the above claim for the reasons stated therein. The matter described in above has uncertainties related to the outcome of the legal proceedings and hence we are unable to quantify the provisions for above claim at this stage, if any, and its consequential impacts on the financial statements of the Company.

(b) Type of Audit Qualification:- Qualified Opinion

(c) Frequency of Audit Qualification: Qualification Referred in II (a) (i) – Since March 2019, in II (a) (ii) - Since March 2018 and in II (a) (iii) – Appeared since March 2020.



(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) (i) 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

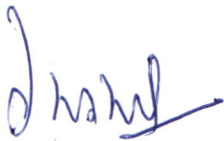
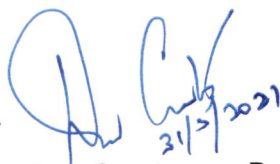

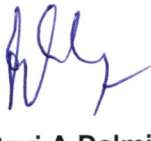

(ii) **If the Management is unable to estimate the impact, reasons for the same:**

- In respect of Audit Qualification as referred in (II) (a) (ii) above –in respect of exposures in subsidiaries of Rs. 1,469.63 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) (iii) 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.

(iii) **Auditors' Comments on (i) or (ii) above:-** Refer "Basis for Qualified Opinion" in the Independent Audit Report on the Standalone Financial Statements dated 31st May, 2021.

III. **Signatories:**

For JBF Industries Limited

Seetharam N Shetty (Director)
Don Crasto (CGM- Finance)
Pravin Prajapati (GM- Finance)
Ravi A Dalmia (Audit Committee Chairman)

Place: Mumbai


Date: 31.05.2021

Refer our Independent Auditor's Report dated 31st May, 2021 on the Standalone Financial Statements of the Company.

For S.C. Ajmera & Co.

Chartered Accountants

Firm Registration No – 002908C



Arun Sarupria

Partner

Membership No – 078398

Place: Udaipur

Date: 31.05.2021

