



# 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/

12<sup>th</sup> August, 2021

The Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra-Kurla Complex  
Bandra [East] Mumbai 400 51  
Maharashtra

The Secretary  
Bombay Stock Exchange Limited  
Pheroz Jeejabhoy Towers,  
Dalal Street,  
Mumbai 400 001 Maharashtra

Sir/Madam,

**Sub : Financial Results**

In Compliance with Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Unaudited Financial Results for the quarter ended on 30<sup>th</sup> June, 2021, approved by the Board of Directors of the Company in their meeting held on 12<sup>th</sup> August, 2021.

The Meeting of Board of Directors of the Company commenced at 12.30 hrs. and concluded at 15.15hrs.

Kindly acknowledge the receipt of the same.

Thanking you,

Yours Faithfully,  
For JBF INDUSTRIES LIMITED

S N SHETTY  
DIRECTOR

**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 ENDED 30TH JUNE, 2021**

(Rs. In Lakh except per share data)

Sr. No.	Particulars	Quarter Ended			Year Ended
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
		30.06.2021	31.03.2021	30.06.2020	31.03.2021
<b>1</b>	<b>Income</b>				
	a) Revenue From Operations	70,374	77,768	23,595	2,20,545
	b) Other Income (Refer note no-5)	56	67	374	1,073
	<b>Total Income</b>	<b>70,430</b>	<b>77,835</b>	<b>23,969</b>	<b>2,21,618</b>
<b>2</b>	<b>Expenses</b>				
	a) Cost of materials consumed	57,166	65,140	15,694	1,67,352
	b) Purchases of Stock-in-trade	-	14	8	114
	c) Changes in Inventories of Finished goods and work-in-progress	(4,701)	(11,642)	5,343	(4,097)
	d) Employee benefits expense	2,125	2,261	1,835	8,320
	e) Finance Costs (Refer note no-3)	6,098	5,528	6,028	24,302
	f) Depreciation and amortisation expense	2,229	2,155	2,200	8,778
	g) Other Expenses	9,784	11,372	4,507	35,566
	<b>Total Expenses</b>	<b>72,701</b>	<b>74,828</b>	<b>35,615</b>	<b>2,40,335</b>
<b>3</b>	<b>Profit/(Loss) before Exceptional Items and tax (1- 2)</b>	<b>(2,271)</b>	<b>3,007</b>	<b>(11,646)</b>	<b>(18,717)</b>
<b>4</b>	<b>Exceptional Items (Refer note no-2)</b>	<b>246</b>	<b>267</b>	<b>-</b>	<b>267</b>
<b>5</b>	<b>Profit/(Loss) before Tax (3-4)</b>	<b>(2,517)</b>	<b>2,740</b>	<b>(11,646)</b>	<b>(18,984)</b>
<b>6</b>	<b>Tax Expenses</b>				
	a) Current Tax	-	-	-	-
	b) Deferred Tax	2	(42)	16	6
	c) Short/(Excess) Provision of Tax of Earlier Years (Net)	-	82	-	363
	<b>Total Tax Expense</b>	<b>2</b>	<b>40</b>	<b>16</b>	<b>369</b>
<b>7</b>	<b>Net Profit/(Loss) for the Period/Year (5 - 6)</b>	<b>(2,519)</b>	<b>2,700</b>	<b>(11,662)</b>	<b>(19,353)</b>
<b>8</b>	<b>Other Comprehensive Income (OCI)</b>				
	<b>i) Items that will not be reclassified to profit or loss:</b>				
	a) Re-measurement gains / (losses) on defined benefit plans	(4)	118	(45)	(18)
	b) Income tax effect on above	2	(42)	16	6
	<b>ii) Items that will be reclassified to profit or loss</b>				
	<b>Total Other Comprehensive Income</b>	<b>(2)</b>	<b>76</b>	<b>(29)</b>	<b>(12)</b>
<b>9</b>	<b>Total Comprehensive Income for the Period / Year (7+8)</b>	<b>(2,521)</b>	<b>2,776</b>	<b>(11,691)</b>	<b>(19,365)</b>
<b>10</b>	<b>Paid Up Equity Share Capital</b> (Face Value of Rs.10/- each fully paid up)	<b>8,187</b>	<b>8,187</b>	<b>8,187</b>	<b>8,187</b>
<b>11</b>	<b>Other Equity excluding Revaluation Reserve</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,069</b>
<b>12</b>	<b>Earning per equity share: Basic &amp; Diluted (Not Annualised)*</b>	<b>(3.08)*</b>	<b>3.30*</b>	<b>(14.24)*</b>	<b>(23.64)</b>





**Notes :**

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 12th August, 2021. The Statutory Auditors of the Company have carried out a Limited Review of the above results.
- 2 Exceptional items for the quarter ended 30th June, 2021 represent provision for doubtful debts in respect of trade receivables and 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).
- 3 The Company has provided interest @ 9% p.a. on monthly compounding basis on Term Loan and simple interest in Cash Credit Limits and Cumulative Redeemable Preference Shares (CRPS) on its borrowings aggregating to Rs. 2,37,527 lakh (Term Loan Rs. 46,950 lakhs and Cash Credit Rs. 1,79,181 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 30th June, 2021 is Rs. 45,286 lakh. Accordingly, finance costs for the quarter ended 30th June, 2021, for the quarter ended 31st March, 2021, for the quarter ended 30th June, 2020 and for the year ended 31st March, 2021 is lower by Rs. 3,183 lakh, Rs. 7,305 lakh, Rs. 3,401 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. 3,44,841 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.1,87,300 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 30th June, 2021 has an aggregate exposure of Rs. 1,47,086 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. 90,954 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 30th June 2021, for the quarter ended 31st March, 2021, for the quarter ended 30th June, 2020, and for the year ended 31st March, 2021 is lower by Rs. 2,268 lakh, Rs. 2,275 lakh, Rs. 2,407 lakh and Rs. 9,548 lakh respectively.
- 6 The Company has under gone severe financial stress during the last 3-4 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 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 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.
- 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 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 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 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.
- 13 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, 2021 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 that financial year.



By order of the Board of Directors

SEETHARAM N SHETTY  
DIRECTOR  
DIN-07962778

Place : Mumbai  
Date : 12th August, 2021



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

To  
The Board of Directors,  
JBF Industries Limited.

1. We have reviewed the accompanying statement of Unaudited Standalone Financial Results of JBF Industries Limited ("the Company") for the quarter ended June 30, 2021 and for the period from April 01, 2021 to June 30, 2021 ("the statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation"), as amended.
2. This statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement based on our review.
3. The review of unaudited financial results for the quarter ended 30<sup>th</sup> June 2020 included in the Statement was carried out and reported by statutory auditor, M/s Pathak H. D. & Associates LLP, vide their unmodified review report dated 11<sup>th</sup> November 2020, whose review reports have been furnished to us and which has been relied upon by us for the purpose of our review of the Statement. Our review report is not modified in respect of these matters."
4. We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.





**5. Basis for qualified conclusion**

- i. As mentioned in Note 3 to the statement, provision of interest @ 9% p.a. on monthly compounding basis on Term Loan and simple interest in Cash Credit Limits on its borrowings and Cumulative Redeemable Preference Shares (CRPS) aggregating to Rs. 2,37,527 lakhs (Term Loan Rs. 46,950 lakhs and Cash Credit Rs. 1,79,181 lakhs and CRPS Rs. 11,396 lakh) at 30<sup>th</sup> June, 2021 as against the documented rate, resulting into lower provision of finance cost for the quarter ended 30<sup>th</sup> June, 2021 by Rs. 3,183 lakh 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 30<sup>th</sup> June, 2021 is Rs. 45,286 lakh. 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 ended 30<sup>th</sup> June, 2021 would have been Rs. 9281 lakhs, Rs. (5702) lakhs, Rs. (5704) lakhs and Rs. (6.96) respectively as against the reported figure of Rs. 6098 lakhs, Rs. (2519) lakhs, Rs. (2521) lakhs, Rs. (3.08) 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. 1,47,086 lakh (as at 31st March, 2021 Rs. 1,46,963 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 17<sup>th</sup> 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.





**S.C. Ajmera & Co.**  
Chartered Accountants

**6. Material Uncertainty Related to Going Concern**

Note 6 to the statement, regarding preparation of financial results on going concern basis, notwithstanding the fact that the Company has incurred the losses, defaulted in repayment of principle and interest to its lenders, 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. 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. These conditions, along with other matters as set forth in above note indicate the existence of material uncertainty that may cast significant doubt about Company's ability to continue as a going concern. The appropriateness of assumption of Going Concern is critically dependent upon the Company's ability to raise finance and generate cash flows in future to meet its obligation. Our opinion is not modified in respect of this matter.

**7. Emphasis of Matter**

We draw your attention to:-

- (i) Note 4 to the statement, regarding invocation of corporate guarantee given by the company to the lender of JBF Petro Chemicals Ltd. ("JPL"). The company has denied above invocation and is of the view that above invocation is not tenable for the reasons explained therein and hence no provision against the claims under the invoked corporate guarantee is considered necessary.
- (ii) Note 7 to the statement, regarding non-preparation of consolidated financial statement due to the reasons mentioned therein. The company has six subsidiaries and is required to present consolidated financial results. However, the Company has not prepared and presented the consolidated financial statements/results required by Companies Act, 2013 and IND AS 110 "Consolidated Financial Statements" and the Listing Regulation.
- (iii) Note 8 to the statement, regarding the vacancy of the post of the Chief Executive Officer and Chief Financial Officer since 1<sup>st</sup> May, 2019 and 2<sup>nd</sup> 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.
- (v) Managerial Remuneration of Rs.11.14 lakhs paid to whole time directors is subject to approvals of shareholders.





Our opinion is not modified in respect of these matters.

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

Place : Udaipur  
Date : 12.08.2021



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

*S.C. Ajmera*

(S.C. Ajmera - Partner)

M.No.: 081398

UDIN: 21081398AAAACV6824