

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 SEPTEMBER, 2022

(Rs. In Lakh except per share data)

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
		30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
<b>1</b>	<b>Income</b>						
	a) Revenue from Operations	56,736	48,595	96,327	1,05,331	1,66,701	3,27,223
	b) Other Income (Refer note no-5)	257	789	336	1,046	392	1,996
	<b>Total Income</b>	<b>56,993</b>	<b>49,384</b>	<b>96,663</b>	<b>1,06,377</b>	<b>1,67,093</b>	<b>3,29,219</b>
<b>2</b>	<b>Expenses</b>						
	a) Cost of materials consumed	30,742	27,958	76,513	58,700	1,33,679	2,40,832
	b) Purchases of Stock-in-trade	1,499	381	-	1,880	-	187
	c) Changes in Inventories of Finished goods and work-in-progress	17,909	1,744	2,078	19,653	(2,623)	6,883
	d) Employee benefits expense	1,796	2,400	2,405	4,196	4,530	9,936
	e) Finance Costs (Refer note no-4)	5,857	6,061	6,555	11,918	12,653	24,917
	f) Depreciation and amortisation expense	30	1,371	2,218	1,401	4,447	8,710
	g) Other Expenses	5,784	14,981	10,791	20,765	20,575	46,366
	<b>Total Expenses</b>	<b>63,617</b>	<b>54,896</b>	<b>1,00,560</b>	<b>1,18,513</b>	<b>1,73,261</b>	<b>3,37,831</b>
<b>3</b>	<b>Profit/(Loss) before Exceptional Items and tax (1- 2)</b>	<b>(6,624)</b>	<b>(5,512)</b>	<b>(3,897)</b>	<b>(12,136)</b>	<b>(6,168)</b>	<b>(8,612)</b>
<b>4</b>	<b>Exceptional Items (Refer note no-3)</b>		<b>1,52,278</b>	<b>-</b>	<b>1,52,278</b>	<b>246</b>	<b>1,08,285</b>
<b>5</b>	<b>Profit/(Loss) before Tax (3-4)</b>	<b>(6,624)</b>	<b>(1,57,790)</b>	<b>(3,897)</b>	<b>(1,64,414)</b>	<b>(6,414)</b>	<b>(1,16,897)</b>
<b>6</b>	<b>Tax Expenses</b>						
	a) Current Tax	-	-	-	-	-	-
	b) Deferred Tax	-	-	1	-	3	21
	c) Short/(Excess) Provision of Tax of Earlier Years (Net)	-	-	129	-	129	129
	<b>Total Tax Expense</b>	<b>-</b>	<b>-</b>	<b>130</b>	<b>-</b>	<b>132</b>	<b>150</b>
<b>7</b>	<b>Net Profit/(Loss) for the Period/Year (5 - 6)</b>	<b>(6,624)</b>	<b>(1,57,790)</b>	<b>(4,027)</b>	<b>(1,64,414)</b>	<b>(5,546)</b>	<b>(1,17,047)</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	-	-	(5)	-	(9)	(60)
	b) Income tax effect on above	-	-	1	-	3	21
	<b>ii) Items that will be reclassified to profit or loss</b>						
	<b>Total Other Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>(4)</b>	<b>-</b>	<b>(6)</b>	<b>(39)</b>
<b>9</b>	<b>Total Comprehensive Income for the Period / Year (7+8)</b>	<b>(6,624)</b>	<b>(1,57,790)</b>	<b>(4,031)</b>	<b>(1,64,414)</b>	<b>(6,552)</b>	<b>(1,17,086)</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>8,187</b>	<b>8,187</b>
<b>11</b>	<b>Other Equity excluding Revaluation Reserve</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,06,018)</b>
<b>12</b>	<b>Earning per equity share: Basic &amp; Diluted (Not Annualised)*</b>	<b>(8.09)*</b>	<b>(192.73)*</b>	<b>(4.92)*</b>	<b>(200.82)*</b>	<b>(8.00)*</b>	<b>(142.97)</b>



(Rs in Lakh)

Particulars		As at 30th September, 2022 (Unaudited)	As at 31st March, 2022 (Audited)
<b>I.</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets:</b>		
	(a) Property, Plant and Equipment	1,053	1,11,777
	(b) Capital work-in-progress	-	2,715
	(c) Investment Property	23	23
	(d) Other Intangible assets	-	70
	(e) Financial Assets		
	(i) Investments	-	39,672
	(ii) Others	16	3,397
	(f) Other non-current assets	6,409	6,542
	<b>Total Non-Current Assets</b>	<b>7,501</b>	<b>1,64,196</b>
<b>2</b>	<b>Current assets</b>		
	(a) Inventories	223	26,425
	(b) Financial Assets		
	(i) Trade receivables	45,537	36,111
	(ii) Cash and cash equivalents	1,347	14,031
	(iii) Bank balances other than (ii) above	18	18
	(iv) Loans	(0)	6,660
	(v) Others	15	1,025
	(c) Current Tax Assets (Net)	-	-
	(d) Other current assets	4,789	10,441
	<b>Total Current Assets</b>	<b>51,929</b>	<b>94,711</b>
	<b>Total Assets</b>	<b>59,430</b>	<b>2,58,907</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	(a) Equity Share capital	8,187	8,187
	(b) Other Equity	(2,70,433)	(1,06,018)
	<b>Total Equity</b>	<b>(2,62,246)</b>	<b>(97,831)</b>
	<b>Liabilities</b>		
<b>1</b>	<b>Non-current liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings		-
	(ii) Other financial liabilities	1,108	2,126
	(b) Provisions		1,262
	(c) Deferred tax liabilities (net)		
	<b>Total Non-Current Liabilities</b>	<b>1,108</b>	<b>3,388</b>
<b>2</b>	<b>Current liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	2,64,031	2,44,364
	(ii) Lease Liabilities	-	454
	(iii) Trade Payables:-		
	Total outstanding dues of Micro & Small Enterprises	534	1,501
	Total outstanding dues of Creditors other than Micro & Small Enterprises	28,178	8,499
		28,712	10,000
	(iii) Other financial liabilities	25,681	95,323
	(b) Other Current liabilities	336	1,395
	(c) Provisions	1,863	1,581
	(d) Current Tax Liabilities (Net)	(55)	233
	<b>Total Current Liabilities</b>	<b>3,20,568</b>	<b>3,53,350</b>
	<b>Total Equity and Liabilities</b>	<b>59,430</b>	<b>2,58,907</b>



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH,SEPTEMBER 2022

(Rs in Lakh)

Particulars	For the half year ended 30th September, 2022	For the year ended 31st March, 2022 (Audited)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss Before Tax as per Statement of Profit and Loss	(1,64,414)	(1,16,897)
<b>Adjusted for :</b>		
Depreciation, Amortisation and Impairment Expense	1,401	8,710
Unrealised (Gain)/Loss on Foreign Currency Transactions (Net)		(348)
Loss on Sale of Property, Plant and Equipment (Net)	77	29
(Gain)/Loss on Financial Instruments Measured at Fair Value Through Profit or Loss (Net)		(34)
Finance Costs	11,918	24,917
Gain on Lease Cancellation	(66)	-
Bad Debt		-
Recovery from Doubtful Debts		(62)
Divident Income (C.Y. Rs. 24,000/-)		-
Interest Income	(59)	(152)
Sundry Balances Written Off / (Back) (Net)	13,270	268
<b>Operating Profit Before Working Capital Changes</b>	<b>(1,51,144)</b>	<b>(83,569)</b>
<b>Adjusted for :</b>		
Trade & Other Receivables	(51,472)	(10,335)
Inventories	(621)	7,180
Trade and Other Payables	17,184	(2,709)
<b>Cash from/(used in) Operations</b>	<b>(1,86,053)</b>	<b>(89,433)</b>
Direct taxes Refund	(287)	(235)
	<b>(1,86,340)</b>	<b>(89,668)</b>
Exceptional Items	1,52,278	1,08,285
<b>Net Cash from/(used in) Operating Activities</b>	<b>(34,062)</b>	<b>18,617</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	(195)	(866)
Sale of Property, Plant and Equipment	(44)	10
Loan given to subsidiaries	-	(92)
Proceeds from Sale of Financial Assets	-	25
Interest on Investment / Loans	861	14
<b>Net Cash used in Investing Activities</b>	<b>622</b>	<b>(909)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Movement in Long Term Borrowings (net)		(213)
Movement in Short Term Borrowings (net)	21,022	(488)
Margin Money (Net)		(161)
Lease Payments	(90)	(414)
Finance Costs Paid	(176)	(4,370)
<b>Net Cash from/ (used in) Financing Activities</b>	<b>20,756</b>	<b>(5,646)</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(12,684)</b>	<b>12,062</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>14,031</b>	<b>1,969</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>1,347</b>	<b>14,031</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 9th January, 2023. The Statutory Auditors of the Company have carried out a Limited Review of the above results.

2 The consortium of bankers led by Bank of Baroda had filed an application with the National Company Law Tribunal (NCLT), Ahmedabad for recovery of their dues in September 2018 under the Insolvency and Bankruptcy Code, 2016. The said application has been dismissed and disposed off by the Court in April 2021. Subsequently, the lenders had filed an appeal before the NCLAT in May 2021. The appeal before NCLAT was consequently withdrawn by Bank of Baroda in November 2021.

On 13th August, 2021, all the lenders (except Tamilnad Mercantile Bank Ltd) had assigned the debts along with all the rights and interests on the secured assets to CFM Asset Reconstruction Private Limited (CFM) under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) by executing two Assignment Agreements both dated 13th August, 2021. A total of 14 fourteen lenders aggregating approximately 99 % of the total debt of the Company had assigned their debt to an Asset Reconstruction Company called CFM as on 13th August, 2021. The Board of Directors' are no longer in the helm of affairs of the Company w.e.f - 13th August, 2021. CFM was closely monitoring and managing the day to day plant and corporate office operations through Deloitte Touche Tohmatsu India LLP, Mumbai who had been appointed as the nodal agency by CFM. Further, to the intimation of the said assignment, CFM had also issued a demand notice under Section 13(2) of the SARFAESI Act, 2002 and the rules framed there under to recover the entire dues including principal and interest. In response to the said notice, the Company had given an "In principle consent" to handover the secured assets which includes land, building, movable assets, inventory, sundry debtors, investments in subsidiaries & step-down subsidiary, intangible assets (including the SAP accounting software) and other current and non-current assets of the Company to CFM. On 11th November 2021, CFM took physical possession of the secured assets of JBF. Further the Company was in receipt of Intimation for sale of secured assets by way of private treaty under the SARFAESI Act, 2002 on 11th May, 2022 and thereafter, proceeded to sell the same by way of private treaty under the SARFAESI Act to Madelin Enterprises Private Limited (MEPL).

Further to the above mentioned points, we would like to bring to your kind attention that the part secured assets including land, building, sundry debtors, investments, cash and bank balances, deposits, intangible assets (including the SAP software) and other movable assets have been sold to the MEPL by CFM on 6th June 2022 and balance assets were sold by CFM to MEPL on 20th December, 2022. In addition, MEPL has also taken over the affairs and operations of all the three plants and the corporate office and the current Board of Directors have no control over the same. With effect from 1st December, 2022 manufacturing operations from all locations have been discontinued.

In addition, the Company has received demand notice from Tamilnad Mercantile Bank Ltd, (TMBL) under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act") and the Rules framed thereunder for recovery of their dues vide letter dated 23rd November, 2021, amounting to Rs. 32.94 Crores plus future interest as applicable thereon in terms of loan agreement. TMBL has denied to release the charge on assets of the company. However, the remaining 14 lenders have assigned their debts to Asset Reconstruction Company CFM on dated 13.08.2021 and on 11th November 2021, CFM took physical possession of the secured assets of JBF. CFM has sent intimation for sale of all the secured assets of the company to Madelin Enterprises Private Limited (MEPL) for total consideration of Rs. 881 Crores on dated 11.05.2022.

However, TMBL has not agreed to the decision of remaining 14 lenders, therefore, it has in principal charge over the secured assets of the company on pro-rata basis, which have been subsequently transferred to CFM and finally to MEPL. Thereafter TMBL approached NCLT Ahmedabad for recovery of their dues from the Company and CFM. The matter is now pending before the NCLT Ahmedabad and it is subjudice.

In light of the above facts, it is evident that the Company's secured assets including the manufacturing plants situated in Sarigam, Athola and Saily are no longer in the possession of the Company. Further, the management is also of the view that under the above mentioned circumstances, the operations of the Company without the manufacturing plants will be severely affected. The Company's ability to sustain itself and generate revenues has been critically dented. Further, there could be a significant and material impact on the "going concern" status of the Company and its future operations. The Company is currently in the process of transition and will find it difficult to meet its financial commitments. 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.

3 Exceptional items for the quarter ended 30th June, 2022 & half year ended 30th September 2022 represents loss on account of repossession of secured assets by the Lender. And, exceptional items for the quarter and year ended 31st March, 2022 represents provision for doubtful debts in respect of trade receivables, unutilised coal cess credit written off, exposure in step-down subsidiary namely JBF Petrochemicals Limited ("JPL") by way of investment in deemed equity, loans including interest and Trade & other receivables (net).

4 The Company has provided interest @ 9% p.a. on monthly compounding basis on term loan and simple interest on Cash Credit limits and Cumulative Redeemable Preference Shares (CRPS) on its borrowings aggregating to Rs. 2,47,379 lakhs (Term Loan Rs. 64,121 lakhs and Cash Credit Rs. 1,71,862 lakhs and CRPS Rs. 11,396 lakhs) 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 Sept, 2022 is Rs.78,072 lakhs. Accordingly, finance costs for the quarter ended 30th Sept 2022 for the quarter ended 30th June, 2022, for the quarter ended 30th Sept, 2021 and for the half year ended 30th September 2022, for the half year ended 30th September 2021 and for the year ended 31st March, 2022 is lower by Rs. 1,687 lakh, Rs. 5,962 lakh, Rs. 10,282 lakh, Rs. 7,649 lakh, Rs. 13,465 lakh, and Rs. 28,320 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.

5 The Company had issued a corporate guarantee of USD 463.96 Million (equivalent of Rs. 3,77,587 lakhs) to the lenders of JBF Petrochemicals Limited ("JPL"), a step down subsidiary. However, following the sale of secured assets (including its investments in subsidiaries and 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. 1,99,155 lakhs) 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 obligations 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 6th June, 2022 has an aggregate exposure of Rs.47,125 lakhs (excluding corporate guarantee as mentioned in note no. 5 above) in its subsidiaries namely JBF Global Pte Ltd ("JGPL") by way of investment in equity of Rs.39,617 lakhs, loans including interest of Rs.6,828 lakhs and interest thereon of Rs.680 lakhs.

The Company's exposure in the step down subsidiary namely JBF Petrochemicals Limited (JPL) amounting to Rs.1,05,722 lakhs as on 31st March, 2022 has been fully impaired and provided for. This is in light of the fact that the application filed by one of the lenders of JPL before the National Company Law Tribunal (NCLT), Ahmedabad under Insolvency and Bankruptcy Code, 2016 has been admitted on 28th January, 2022. The Resolution Professional (RP) appointed by the Committee of Creditors (COC) has taken over the plant and the Board of Directors of JPL has been suspended on 28th January, 2022. The RP has taken over the day to day operations of JPL.

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.



However, following the repossession of secured assets including all investments made by the Company in its subsidiaries and step-down subsidiary on 6th June, 2022, the above exposures has been reduced to NIL & Company has executed transfer deed but formalities for transfer of shares of investments to MEPL is in process.

Further, the Company had discontinued recognition of interest income on Inter- corporate deposits amounting to Rs.78,139 lakhs given by it to JPL w.e.f. 1st April 2018 and accordingly interest income for the quarter ended 30th Sept,2022 for the quarter ended 31st March, 2022, for the quarter ended 30th Sept, 2021, and for the year ended 31st March, 2022 is lower by Rs.3,104 lakhs, Rs. 2,271 lakhs, Rs.2,462.lakhs and Rs.8,958 lakhs respectively.

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 One of the operational creditors of JBF RAK LLC, situated at UAE (JBF RAK), 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.

11 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.

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

By order of the Board of Directors



*Seetharam N Shetty*

SEETHARAM N SHETTY  
DIRECTOR  
DIN-07962778

Place : Mumbai  
Date : 9th January, 2023