

CHARTERED ACCOUNTANTS

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

To
The Resolution Professional,
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 December 31, 2023 and for the period from April 01, 2023 to December 31, 2023 ("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. 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. Our view 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.
4. **Basis for qualified conclusion**
 - i. As mentioned in Note 4 to the statement, provision of interest @ 9% p.a. on monthly compounding basis on Term Loan and simple interest in Cash Credit Limits and Cumulative Redeemable Preference Shares (CRPS) 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 at 31st December, 2023 as against the documented rate, resulting into lower provision of finance cost for the quarter and nine months ended 31st December, 2023 by Rs. 2895 lakhs and Rs. 7900 lakhs respectively, which is not in compliance with IND AS -23 "Borrowings Costs" read with IND AS-109 on "Financial Instruments". Aggregate



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amount of interest not provided for as at 31st December, 2023 is Rs. 89,991 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 nine months ended 31st December, 2023 would have been Rs. 8807 lakhs and Rs. 25581 lakhs, Rs.(8884)lakhs and Rs. (25877) lakhs, Rs.(8884) lakhs and Rs.(25877) lakhs, and Rs. (10.85) and Rs.(31.61) respectively as against the reported figure of Rs.5912 lakhs and Rs.17681 lakhs, Rs.(5989) lakhs and Rs. (17977) lakhs, Rs.(5989) lakhs and Rs.(17977) lakhs and Rs. (7.31) and Rs.(21.96) respectively in the above results.

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

5. Emphasis of Matter

We draw your attention to:-

- (i) Note 2 and 12 to the statement that 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 the operations of the Company without the manufacturing plants will be severely affected. With effect from 1st December, 2022 manufacturing operations from all locations have been discontinued. The Company's ability to sustain itself and generate revenues has been critically dented. Further, there is a significant and material impact on the "going concern" status of the Company and its future operations. The company has also transferred MAT credit entitlement of Rs. 6,409 Lakhs to Statement of Audited Financial Results under the head Tax Expenses "Short/(Excess) Provision of Tax of Earlier Years (Net)" in earlier years as there is no possibility of earning revenue in future. The Company will find it difficult to meets its financial commitments. Furthermore, application of one of the operational creditors against the company was admitted by NCLT on dated 25th January 2024 and NCLT has appointed a Resolution Professional with directions to perform all functions contemplated under the IBC. Therefore, the company ceases to continue as a going concern.



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- (ii) Note 2 & 3 to the statement, 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 amounting to Rs. 2,39,664 Lakhs (Net of Provisions) have been sold to the MEPL by CFM on 6th September 2022 for Rs. 87,386 Lakhs and balance assets were sold to MEPL by CFM on 20th December 2022. The same has resulted into loss of Rs. 1,50,359 Lakhs on account of repossession of secured assets by the Lender, which has been shown as exceptional items in the financial results of the company.

Further, 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 also transferred all the assets (fixed assets, investment and current assets) of the company to CFM on dated 11.11.2021. CFM has taken physical possession of all 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.

- (iii) Note 5 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.
- (iv) Note 7 to the statement, regarding non-preparation of consolidated financial statement due to the reasons mentioned therein. The company has subsidiaries and is required to present consolidated financial results. The Company has not prepared and presented the



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consolidated financial statements/results required by Companies Act, 2013 and IND AS 110 "Consolidated Financial Statements" and the Listing Regulation. However, as on 31st March 2023, M/s. Madelin Enterprises Pvt. Ltd., has acquired the holding of JBF Industries Ltd. in its Subsidiary Company JBF Global Pte Limited situated at Singapore under the Sarfaesi Act but pending transfer of shares in the name of Madelin Enterprises Pvt. Ltd., the shares are still in the company as on date.

- (v) 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 1st July, 2023 respectively due to the reason as mention therein.

Our opinion is not modified in respect of these matters.

6. Based on our review conducted as above, except for the possible effects of the matter described in the paragraph 4 above "Basis for Qualified Conclusion" and read with our comments in paragraph 5 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 thereunder 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 : 13.05.2024



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

Arun
(Arun Sarupria - Partner)
M.No. 078398
UDIN: 24078398BKBOKW3988

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

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER/NINE MONTHS ENDED 31ST DECEMBER, 2023

(Rs. In Lakh except per share data)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
		31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
1	Income						
	a) Revenue From Operations	-	(0)	4,247	194	1,09,578	1,09,717
	b) Other Income (Refer note no-6)	(0)	(1)	85	1	1,131	1,235
	Total Income	(0)	(1)	4,332	195	1,10,709	1,10,952
2	Expenses						
	a) Cost of materials consumed	-	-	1,698	-	60,398	60,398
	b) Purchases of Stock- in- trade	(0)	-	431	190	2,311	2,422
	c) Changes in Inventories of Finished goods and work-in-progress	-	-	-	-	19,653	19,653
	d) Employee benefits expense	68	30	768	223	4,964	4,863
	e) Finance Costs (Refer note no-3)	5,912	5,972	5,864	17,681	17,782	23,518
	f) Depreciation and amortisation expense	-	-	19	-	1,420	1,420
	g) Other Expenses	9	48	1,017	78	21,782	26,977
	Total Expenses	5,988	6,050	9,797	18,171	1,28,310	1,39,257
3	Profit/(Loss) before Exceptional Items and tax (1- 2)	(5,989)	(6,051)	(5,465)	(17,977)	(17,601)	(28,305)
4	Exceptional Items (Refer note no-2)	-	-	(1,796)	-	1,50,482	1,50,359
5	Profit/(Loss) before Tax (3-4)	(5,989)	(6,051)	(3,669)	(17,977)	(1,68,083)	(1,78,664)
6	Tax Expenses						
	a) Current Tax	-	-	-	-	-	-
	b) Deferred Tax	-	-	-	-	-	273
	c) Short/(Excess) Provision of Tax of Earlier Years (Net)	-	-	-	-	-	6,409
	Total Tax Expense	-	-	-	-	-	6,682
7	Net Profit/(Loss) for the Period/Year (5 - 6)	(5,989)	(6,051)	(3,669)	(17,977)	(1,68,083)	(1,85,346)
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	-	-	-	-	-	(781)
	b) Income tax effect on above	-	-	-	-	-	273
	ii) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	Total Other Comprehensive Income	-	-	-	-	-	(509)
9	Total Comprehensive Income for the Period / Year (7+8)	(5,989)	(6,051)	(3,659)	(17,977)	(1,68,083)	(1,85,854)
10	Paid Up Equity Share Capital (Face Value of Rs.10/- each fully paid up)	8,187	8,187	8,137	8,187	8,187	8,187
11	Other Equity excluding Revaluation Reserve	-	-	-	-	-	(2,91,873)
12	Earning per equity share: Basic & Diluted (Not Annualised)*	(7.31)*	(7.39)*	(4.48)*	(21.96)*	(205.3)*	(226.39)*



Notes :

- The above results have been reviewed and approved by the Resolution Professional (based on reviewed by suspended Board of Directors) at their meeting held on 13th May, 2024. The Statutory Auditors of the Company have carried out a Limited Review of the above results.
- 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 DRT Mumbai for recovery of their dues from the Company and CFM. The matter is now pending before the DRT Mumbai 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 has also transferred MAT credit entitlement of Rs. 6,409 Lakhs to Statement of Audited Financial Results under the head Tax Expenses "Short/(Excess) Provision of Tax of Earlier Years (Net)" in the earlier year. The Company 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.

- Exceptional items for the quarter ended 31st December 2022 and for year ended 31st March 2023 represents loss on account of repossession of secured assets by the Lender.
- 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 31st Dec, 2023 is Rs.89,991 lakhs. Accordingly, finance costs for the quarter ended 31st Dec 2023 for the quarter ended 30th Sept, 2023, for the quarter ended 31st Dec, 2022 and for the nine months ended 31st December 2023, for the nine months ended 31st December 2022 and for the year ended 31st March, 2023 is lower by Rs. 2,895 lakh, Rs 2,631 lakh, Rs. 1,915 lakh, Rs. 7,900 lakh, Rs. 9,564 lakh, and Rs. 82,091 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.
- 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 it's 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.
- 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, subsequently GAIL has acquired JPL through the bidding process.
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.
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.



- 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.
- 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. As on 31st March 2023, M/s. Madelin Enterprises Pvt.Ltd., has acquired the holding of our Company in the Subsidiary Company JBF Global Pte Limited situated at Singapore under the Sarfaesi Act but pending transfer in the name of Madelin Enterprises Pvt. Ltd., the shares are still in the company as on date.
 - 8 Chief Executive Officer (CEO) of the Company had tendered his resignation from the post of CEO with effect from 1st May, 2019. Chief Financial Officer (CFO) has tendered his resignation on 1st July 2023. Management of the Company is actively looking out for suitable candidates to fill in the above vacancies. The same has been referred by the auditors in their report on results and was also referred by the auditors in their report on the financial statements & results for the earlier years/ quarters.
 - 9 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 An application was filed before the National Company Law Tribunal (NCLT), Ahmedabad, by one of the Operational Creditor against the Company under section 9 of Insolvency and Bankruptcy Code, 2016. The matter was admitted by the Hon'ble NCLT vide its order dated 25th January 2024. The Hon'ble NCLT appointed IRP Mr. Dhaval C Khamar and subsequently NCLT appointed Mr. Mukesh Verma as RP with directions to perform all functions contemplated under the IBC. In pursuit to his appointment, the IRP made public announcement in Financial Express (English) and Financial Express (Gujarati) on 8th February 2024 intimating the creditor and other stakeholder about the commencement of CIR process inviting their claims as provided in section 15 of IBC 2016. Further RP invites Express of Interest (EOI) under IBC, from prospective Resolutions applicants. The last date for the submission of EOI is 19th May 2024.
 - 13 The figures for the corresponding previous period/year have been regrouped/re-arranged wherever necessary, to make them comparable.


MUKESH VERMA
 Resolution Professional Of
 JBF Industries Limited (Under CIRP)
 Place : Mumbai
 Date : 13th May,2024



For and on behalf of suspended Board of Director
 JBF INDUSTRIES LIMITED




SEETHARAM N SHETTY
 DIRECTOR
 DIN-07962778