



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 July, 2019

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex
Bandra [East]
Mumbai, Maharashtra 400 051

Sir/Madam,

Sub : Financial Results

In Compliance with Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Unaudited Financial Results for the quarter ended on 30th June, 2019, approved by the Board of Directors of the Company in their meeting held on 31st July, 2019.

Mr. Sharadchandra Thakar, has resigned from the post of Independent Director of the Company and Mr. Suresh Choudhary, appointed as Additional Independent Director in his place to hold office till the forth coming Annual General Meeting.

The Meeting of Board of Directors of the Company commenced at 14.30 hrs. and concluded at 17.20 hrs.

Kindly acknowledge the receipt of the same.

Thanking you,

Yours Faithfully,
For JBF INDUSTRIES LIMITED

MRS. UJJWALA APTE
COMPANY SECRETARY

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(ISO 9001, 14001, 18001 CERTIFIED) CIN : L99999DN1982PLC000128

Independent Auditor's Review Report on Unaudited Financial Results of the Company Pursuant to the Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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 30th June, 2019, ("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 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 thereunder 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. 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.
4. **Basis for qualified conclusion**
 - (i) *As mentioned in the Note 4 to the statement, Company has provided interest @ 9% p.a. on its borrowings as against the documented rate since 1st April, 2018, which has resulted short provision of interest of Rs. 12,968 lacs as on 30th June, 2019, which is not in compliance with IND AS -23 "Borrowings Costs" read with IND AS-109 on "Financial Instruments". Consequently, the interest for the period from 1st April, 2019 to 30th June, 2019 on its borrowings aggregating to Rs. 2,69, 679 lacs as on 30th June, 2019 is lower by Rs. 2,652 lacs. Had the interest been recognized @ its documented rate, finance cost, net loss after tax for the period, total comprehensive income and EPS for the quarter ended 30th June, 2019 would have been Rs. 8,109 lacs, Rs. (8,671) lacs, Rs. (8,675) lacs & Rs. (10.59) respectively as against the reported figure of Rs. 5,457 lacs, Rs. (6,019) lacs, Rs. (6,023) lacs & Rs. (7.35) respectively in the above results.*



- (ii) As mentioned in the Note 6 to the statement, Company has exposure in subsidiaries by way of investments, loans and other receivables aggregating to Rs. 1,50,841 lacs (as at 31st March, 2019 Rs. 1,50,824 lacs), 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 determine whether any adjustments to these amounts are necessary and consequential impacts on the financial results of the Company.

5. Emphasis of Matters

We draw your attention to the:-

- (i) Note 5 to the statement, regarding invocation of corporate guarantee given by the Company to the lenders of JBF Petrochemical Limited ("JPL"). The Company has denied above invocation and is of the view that above invocation is not legally tenable for the reasons explained therein and hence no provision against the claims under the invoked corporate guarantee is considered necessary.
- (ii) Note 8 to the statement, regarding non- preparation of consolidated financial results due to the reasons mentioned therein.
- (iii) Managerial remuneration of Rs. 39 lacs paid to whole time directors is subject to approvals of shareholders.

Our opinion is not modified in respect of these matters.

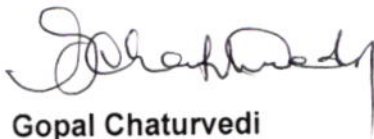
6. Material Uncertainty Related to Going Concern

Note 7 to the statement, regarding preparation of financial results on going concern basis, notwithstanding the fact that the Company has incurred the losses, defaulted in repayment of principle and interest to its lenders, lenders have classified the Company's borrowings as NPA, some of the lenders have even called back the loans, one of the secured lenders has applied before NCLT under Insolvency and Bankruptcy Code, 2016. These conditions, along with other matters as set forth in above note indicate the existence of material uncertainty that may cast significant doubt about Company's ability to continue as a going concern. The appropriateness of assumption of going concern is critically dependent upon the Company's ability to raise finance and generate cash flows in future to meet its obligations. Our opinion is not modified in respect of this matter.



7. 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 & 6 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 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.

For Pathak H.D. & Associates
Chartered Accountants
Firm Reg. No. 107783 W



Gopal Chaturvedi
Partner
Membership No. 090903
UDIN No.-19090903AAAABU2892



Place: Mumbai
Date: 31.07.2019