



JBF Industries Limited

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Ref No. : JBF/SECTL/SE/

21st November, 2019

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

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 September, 2019, approved by the Board of Directors of the Company in their meeting held on 21st November, 2019.

The Meeting of Board of Directors of the Company commenced at 14.30 hrs. and concluded at 18.00 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 and half year ended 30th September, 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. 17,364 lacs as on 30th September, 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 quarter and half year ended 30th September, 2019, on its borrowings aggregating to Rs. 262,610 lacs as on 30th September, 2019 is lower by Rs. 3,420 lacs and Rs. 7,048 lacs respectively. Had the interest been recognized @ its documented rate, finance cost, net loss after tax for the period/year, total comprehensive income and EPS for the quarter and half year ended 30th September, 2019 would have been Rs. 10,116 lacs & 19,201 lacs, Rs. (10,411) lacs & Rs.(20,058) lacs, Rs.(10,415) lacs & Rs. (20,066) lacs and Rs. (12.72) & Rs. (24.50) respectively as against the reported figure of Rs. 6,696 lacs & Rs.12,153 lacs, Rs. (6,991) lacs & Rs, (13,010) lacs, Rs. (6,995) lacs & Rs.(13,018) lacs and Rs. (8.54) & Rs. (15.89) respectively in the above results. Further current financial liabilities-others and other equity as at 30th September,*



2019 would have been Rs. 131,342 lacs and Rs. 32,142 lacs respectively as against reported figure of Rs. 113,978 lacs and Rs. 49,506 lacs 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. 151,046 lacs (as at 31st March, 2019 Rs. 150,824 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:-

- (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 9 to the statement, regarding non- preparation of consolidated financial results due to the reasons mentioned therein.
- (iii) Note 8 to the statement, regarding non- receipt of balance confirmation as at 30th September 2019 from financial institution and one of the banks with respect to borrowings of Rs. 16,478 lacs.
- (iv) Note 10 to the statement, regarding vacancy of the post of Chief Executive Officer since 1st May, 2019 due to the reason as mention therein.
- (v) Managerial remuneration of Rs. 148 lacs & Rs. 336 lacs paid to Chairman for the quarter and half year ended 30th September, 2019 respectively as approved by the shareholders of the Company at their meeting held on 20th September, 2019 but without obtaining prior approval from the secured lenders as required under the third proviso of the Section 197(1) of the Companies Act, 2013. Further managerial remuneration paid to a director of Rs. 21 lacs are subject to approval of shareholders.

Our opinion is not modified in respect of these matters.

6. Material Uncertainty Related to Going Concern

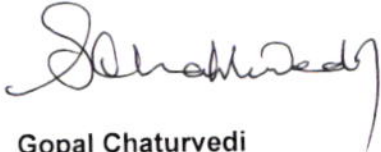
Note 7 to the statement, regarding preparation of financial results on going concern basis, notwithstanding the fact that the Company has incurred the losses, defaulted in repayment of principle and interest to its lenders, lenders have classified the Company's borrowings as NPA, some of the lenders have even called back the loans, one of the secured lenders has applied before NCLT under Insolvency and Bankruptcy Code, 2016 and decided to undertake competitive bid process also. 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 LLP**
Chartered Accountants
Firm Reg. No. 107783 W/W100593



Gopal Chaturvedi
Partner

Membership No. 090903

UDIN No.- 19090903AAAADY5465



Place: Mumbai
Date: 21.11.2019