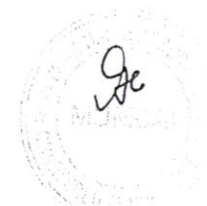


**INDEPENDENT AUDITOR'S REVIEW REPORT**

To,  
**The Board of Directors,  
JBF Industries Limited**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **JBF Industries Limited ("the Company")** for the quarter ended 30<sup>th</sup> June 2018 ("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 read with Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016.
2. The preparation of the statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the statement based on our review.
3. Our review has been restricted to the figures shown in the column headed "Quarter ended 30.06.2018", "Quarter ended 31.03.2018" and "Year ended 31.03.2018 (Audited)". We have traced the figures shown in the column headed "Quarter ended 30.06.2017" from the published review results of the Company.
4. We conducted our review 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 statement is free of material misstatements. 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, Trade Receivables as at 30<sup>th</sup> June, 2018 includes Rs. 22932 lacs (as at 31<sup>st</sup> March 2018 Rs.22683 lacs) due from certain parties, which are outstanding for the extended period of time and/or in respect of which the parties did not honour the bills, have been considered good for recovery by the management for the reasons stated therein. In view of the age of these balances, the absence of subsequent settlements, dishonor of bills and non-receipt of balance confirmations, we are unable to comment on the recoverability of these trade receivables and possible impacts on the financial results of the Company.
- (ii) As mentioned in Note 4 to the statement, Inter-Corporate Deposits and interest accrued and due thereon aggregating to Rs.8975 lacs (as at 31<sup>st</sup> March 2018 Rs.8975 lacs) overdue for substantial period of time, in respect of which Company has initiated legal proceedings (including winding up petitions against few of them), have been considered good for recovery and no provisions for doubtful debts have been considered necessary, by the management, for the reasons stated therein. The matter described in above has uncertainties related to the outcome of the legal proceedings and therefore we are unable to comment on the ability of the Company to recover the outstanding amount and possible impacts on the financial results of the Company.
- (iii) As mentioned in the Note 5 to the statement, Current financial asset –others as at 30<sup>th</sup> June 2018 includes an amount of Rs. 17875 lacs (as at 31<sup>st</sup> March 2018 Rs.17875 lacs) towards claims & discounts receivable from suppliers, which are outstanding for the extended period of time. Management has accounted for these claims & discounts receivable from suppliers based on management's best estimate and considered good for recovery. We are unable to ascertain the recoverability of these claims & discounts. Consequently, we are unable to determine whether any adjustments to these amounts are necessary and consequential impacts on the financial results of the Company.
- (iv) As mentioned in the Note 7 to the statement, Company has exposure in subsidiaries by way of investments, loans and other receivables aggregating to Rs.1,46,132 lacs (as at 31<sup>st</sup> March, 2018 Rs. 1,43,054 lacs), in respect of which the Company could not carry out impairment assessments due to the reasons mentioned therein. In the absence of impairment assessments by the Company, we are unable to determine whether any adjustments to these amounts are necessary and consequential impacts on the financial results of the Company.

