JBF Industries Limited

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**MINUTES OF THE THIRTYFIFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF JBF INDUSTRIES LIMITED HELD ON WEDNESDAY, 27TH SEPTEMBER, 2017, AT DAMAN GANGA VALLEY RESORT, SILVASSA, AT 11.30 A.M.**

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**PRESENT**

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| **MR. RAKESH GOTHI** | **CEO & MANAGING DIRECTOR** |
| **MR. N. K. SHAH** | **DIRECTOR – COMMERCIAL** |
| **MR. B. R. GUPTA** | **DIRECTOR** |

It was announced by Mrs. Ujjwala Apte Secretary of Company, that the required quorum for the Annual General Meeting was present. In the absence of Chairman, Mr. Bhagirath Arya, she requested the shareholders to elect the Chairman of the meeting.

Mr. N K Shah, Director of the Company who was also a shareholder, proposed Mr. Rakesh Gothi as Chairman of the meeting. Mrs. Shobhna Mehta seconded the proposal and Mr. Rakesh Gothi was elected as the Chairman of the meeting.

Mr. Gothi occupied the Chair.

At 11.30 a.m, Chairman called the meeting to order.

It was declared that the Company had received Eleven Proxies representing 3,60,08,235 equity shares. Proxy Register and other Statutory Registers were kept open for members for inspection.

He introduced colleagues on the Board.

He welcomed all shareholders & others to the Annual General Meeting of the Company.

Notice dated 11th August, 2017, convening the 35th Annual General Meeting, Directors' Report and the Annual Accounts had been despatched to all shareholders and with the consent of the Members present the same were taken as read.

The Auditors' report on the financials of the Company for the year ended March 31, 2017 being unqualified was read at the meeting in terms of section of 145 of the Companies Act, 2013

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The Chairman presented the performance of the Company for the year under review.

**A. Performance for the year ended 31st March, 2017**

The year ended 31st March 2017 resulted in a satisfactory performance of the company. The highlights of the performance were as under:

The gross sales of JBF India alongwith its subsidiaries., i.e. on a consolidated basis, increased to Rs.9343.08 Crores from Rs.9200.98 Crores for the previous year. EBIDTA (Before extra-ordinary items) has come down to Rs.533.27 Crores as against Rs.740.44 Crores.

For the Indian operations alone, the gross sales of the company has come up to Rs.4271.45 Crores from Rs.3939.94 Crores. EBIDTA (Before extra-ordinary items) was Rs.389.67 Crores against Rs.433.50 Crores for the previous year mainly due reduction in margin as a results of depressed market conditions.

As you all know GST has been introduced from July, 2017. While Company expressed view that it would be beneficial for the industry in long run. There has been some short term teething issues which our textile industry was facing. Which affected performance of our Company in the current period.

It was expected that these short term issues would be ironed out and the normalcy would be restored over a period of time.

The Chairman further explained that Directors have recommended dividend @ 10% in their meeting held on 30th May, 2017. Due to market condition and other factor Company has been suffering financial shortage. Hence it was proposed to reduce the dividend to 50 paise per equity share and the resolution to that effect was put up later during the meeting.

Then Mr. Rakesh Gothi, Chairman of the meeting proposed Item No 1 of the agenda to adopt Director's Report and Audited Statement of Accounts for the year ended 31st March, 2017.

Then the floor was kept open for discussion and for shareholders to ask questions. The Shareholders were requested to give their names and to be brief and not to repeat the same question.

**New Voting Procedure**

I want to explain that pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company had extended e-voting facility to the shareholders of the Company in respect of business to be transacted at the Annual General Meeting. The e-voting commenced on 23rd September, 2017 at 9.00 a.m. and ends on 26th September, 2017 at 5.00 p.m. CS Mr.Ronak Kalathiya of M/s. Jagdish Patel & Co., Practicing Company Secretaries, Vapi was appointed as the Scrutinizer by the Board for conducting the e-voting process.

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Vide GENERAL CIRCULAR NO.20/2014 [NO.1/34/2013-CL-V] DATED 17-6-2014 it has been clarified that in view of clear provisions of section 107, voting by show of hands would not be allowable in cases where rule 20 of Companies (Management and Administration) Rules, 2014 is applicable

Hence, he ordered Poll to be taken on all the resolutions to be passed at the meeting

The Scrutinizer for e-voting Mr. Ronak Kalathiya of M/s. Jagdish Patel & Co., Practicing Company Secretaries, Vapi acted as the Scrutinizer for the poll.

It was declared that the combined results of e-voting and Poll would be posted on the Company's website and NSDL and also be notified to the stock exchanges within Forty Eight hours from the conclusion of the AGM.

The Chairman further requested shareholders to vote at the end of the Meeting on the Ballot Paper which were distributed to the shareholders. The shareholders who had exercised their vote through the e-voting process were not eligible to vote on a poll and any such votes were not considered for the purpose of the poll

Then it was requested the shareholders to propose and second each resolution put to vote by Poll

The ordinary resolution for Item No.1 was seconded by Mr. Praful Dharia and was put to vote as follows.

"**RESOLVED THAT** the Profit and Loss Account for the year ended on 31st March, 2017 and the Balance Sheet as on that date along with the Directors and Auditors Report thereon be and are hereby approved and adopted."

**Item No 2 : Re-Appointment of Mr. N K Shah (DIN: 00232130)**

The resolution for the re-appointment of Mr. Ms. Shobhna Mehta was proposed by which was seconded by Mr. Sudhir Mehta and was put to vote as follows.

**"RESOLVED THAT** Mr. Rakesh Gothi, retiring Director of the Company, who retired by rotation and being eligible, offered himself for re-appointment be and is hereby re-appointed as the Director of the Company retiring by rotation."

**Item No 3 : Re-Appointment of Mrs. Veena Arya (DIN: 00228818)**

The resolution for the re-appointment of Mrs. Veena Arya was proposed by Mr. Jogidasani which was seconded by Mr. Praful Dharia and was put to vote as follows.

**"RESOLVED THAT** Mrs. Veena Arya, retiring Director of the Company, who retired by rotation and being eligible, offered herself for re-appointment be and is hereby re-appointed as the Director of the Company retiring by rotation."

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**Item No 4 : Declaration of Dividend on Equity Share Capital**

The Chairman explained to the members that the Board of Directors had recommended dividend of Rs.1 per share in their meeting held on 30th May, 2017.

Then the resolution in respect of dividend proposed by Mr. Sudir Mehta and seconded by Mr. Todiwala and was put to vote as follows.

**"RESOLVED THAT** the dividend of Rs.1 per Share (i.e. @10% recommended by the Directors in their meeting held on 30th May, 2017, be reduced to 5% i.e. 50 paise per equity share be declared on the equity Shares of the Company and the same be paid to the shareholders whose names appear on the Register of Member on the date of book closure."

**Item No 5 : Appointment of Auditors**

Mr. Praful Dharia proposed the resolution for appointment of the Statutory Auditors of the Company, M/s Phatak H D & Associates, Chartered Accountants, Mumbai. This resolution was seconded by Mr. Sharma and was put to vote as follows.

**"RESOLVED THAT** pursuant to the provisions of section 139 of the Companies Act, 2013 and Rules made there under, M/s. Pathak H D & Associates, Chartered Accountants, (Registration No. 107783W) the Chartered Accountants, Mumbai, be and is hereby appointed as the Statutory Auditors of the Company for three years in place of M/s. Charutvedi & Shah, whose term is expiring on conclusion of Annual General Meeting, to hold office until the conclusion of the Thirty Eighth Annual General Meeting of the Company (subject to ratification of the appointment by the members at every Annual General Meeting) at a remuneration as may be decided by the Board of Directors."

**Item No 6 : Re-appointment and Remuneration given to Mr. Rakesh Gothi (DIN : 00229302) Whole Time Director designated as CEO & Managing Director.**

Mr. Shobhna Mehta, proposed the resolution for Re-appointment & Remuneration given of Mr. Rakesh Gothi, (DIN : 00229302) Whole Time Director designated as CEO & Managing Director.

This resolution was seconded by Mr. Jogidasani and was put to vote as follows.

**"RESOVLED THAT** in accordance with section 198 & 197(3) and applicable provisions of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013, and as recommended by the Nomination and Remuneration committee and by the Board of Directors in their meeting held on 30th May, 2017, Mr. Rakesh Gothi, (DIN 00229302), who holds office as CEO & Managing Director of the Company till 31st December, 2017, be and is hereby re-appointed as CEO & Managing Director of the Company for further period of Five years w.e.f. 1st January, 2018, and that Mr. Rakesh Gothi, CEO & Managing Director, be paid a monthly salary at the rate of Rs.6,02,330 [Rupees Six Lacs Two Thousand Three Hundred Thirty Only], payable on the last working day of each calendar month subject to deduction of all the taxes which the Company is required to deduct."

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**And that he will be entitled for**

1. Monthly House Rent Allowance at the rate of 10% of the basic Salary ;
2. Reimbursement of entertainment expenses upto a maximum of Rs 5,315 [Rupees Five Thousand Three Hundred Fifteen Only] per month ;
3. Reimbursement of education and books and periodicals expenses equivalent to Rs.5,315 [Rupees Five Thousand Three Hundred Fifteen Only] per month ;
4. Leave Travel Allowance equivalent to Rs.5,88,639 [Rupees Five Lacs Eighty Eight Thousand Six Hundred Thirty Nine Only] per year ;
5. Reimbursement of medical expenses incurred for himself, wife and dependant children subject to a maximum of Rs.6,02,328 [Rupees Six Lacs Two Thousand Three Hundred Twenty Eight Only] per year ;
6. Reimbursement of the Expenses of Telephone / Fax installed at his residence used for business purposes shall be borne by the Company ;
7. The use of the Company car with chauffeur and actual expenses for upkeep of a car ;
8. Gratuity not exceeding half months' salary for each completed year of service as per Gratuity Act ;
9. Participation in the Provident Fund and any other schemes provided by the Company for the benefit of its Senior Executives ;
10. He will be entitled to one month's leave for every 11 months of service or such leave as the exigencies of the business shall permit and as may be mutually agreed. However, the total monetary value of encashed leave at the end of the Tenure will not be included in the Computation of ceiling of perquisites;

**"RESOLVED FURTHER THAT** the remuneration payable as aforesaid shall be paid to Mr. Rakesh Gothi, (DIN 00229302), CEO & Managing Director, as minimum remuneration in accordance with in the case of absence or inadequacy of profits in any financial year during the term of his office and that the Board of Directors be and is hereby authorised to vary or increase, or enhance the scope of the remuneration and perquisites including the monetary value thereof, as referred to hereinabove to the extent of Rs.2(Two) crores of the Gross amount of remuneration but the same may be enhanced, altered, or varied in accordance with any guidelines regarding payment of managerial remuneration under the Companies Act, 2013, from time to time in force and that the agreement between the Company and Mr. Rakesh Gothi, CEO & Managing Director, be suitably amended to give effect to those amendments."



**Item No 7 : Modification of Articles of Association No. 118(2)**

Mr. Praful Dharia proposed the resolution for approval of Modification of Articles of Associations No. 118(2). This resolution was seconded by Mrs. Shobhna Mehta and was put to vote as follows.

**"RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the existing Article No. 118(2) of Articles of Association to be replaced by the new Article as mentioned below be and is hereby approved and adopted as the Articles of Association of the Company."

"The seal of the Company shall not be affixed to any instrument except authorised by the Board of Directors or by a Committee of Board authorised to that effect and signed by any one Director or the Secretary or such other person as the Board / Committee of Board may appoint for the purpose; and such Director or the Secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence."

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**Item No 8 : Approval of Remuneration of Cost Auditor**

Mrs. Shobhna Mehta proposed the resolution for approval of Remuneration for Cost Auditor. This resolution was seconded by Mr. Sudhir Mehta and was put to vote as follows.

**"RESOLVED THAT** pursuant to the provisions of the Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Ms. Devashree Vijayakar the Cost Auditors of the Company as appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2018, be paid remuneration of Rs.1,75,000 (Rupees One Lac Seventy Five Thousand) per annum inclusive of all expenses."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**Item No 8 : Approval of Remuneration of Cost Auditor**

Mr. Jogidasani proposed the resolution for approval for Waiver of Excess Remuneration paid to Mr. Bhagirath C Arya, Executive Chairman. This resolution was seconded by Mrs. Shobhna Mehta Mehta and was put to vote as follows.

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**"RESOLVED THAT** pursuant to Section 197(10) and other applicable provisions if any, of the Companies Act, 2013 (including any statutory modifications) or re-enactment thereof for the time being in force, The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, and subject to approval of the Central Government, consent of the members of the Company be and is hereby accorded to waiver of recovery of excess remuneration of Rs. 3,27,44,513 paid to Mr. Bhagirath C Arya, Executive Chairman of the Company over and above the limits prescribed under Section 197(10) read with Schedule V of the Companies Act, 2013 during the period from (2016-2017)."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company or any committee of Directors duly constituted by the Board be and is hereby authorised to do all such acts deeds and things as may be considered necessary or required, furnish any clarifications information and to settle any question, difficulty or doubt that may arise in this regard.

All the shareholders are requested to put their poll paper in the Ballot Box.

I request Mr. Ronak Kalathiya to take charge of the Ballot Box

As all items listed in the notice of the Annual General meeting is dealt with, I declare the meeting as over.

## Acknowledgements

On behalf of the entire Board of Management, Chairman would like to expressed his special thanks to all our employees, who have continued to provide excellent support with their hard work and as a result, the company was able to achieve a dominant position in the industry. The Company would continue to rely upon them for future success as well.

The Chairman further added that he and his colleagues on the Board of Management thank all Banks and Financial Institutions and other stake holders for their trust in JBF and we look forward to their continued support in future as well.

He also took this opportunity to thank Directors for their valuable guidance from time to time.

The Chairman expressed his sincere thanks to Directors for their continued support and advice which would give great benefit to the organisation.

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**CHAIRMAN**

**Place : Silvassa**
**Date : 27th September, 2017.**

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