# JBF Industries Limited

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## NOTICE TO MEMBERS

Notice is hereby given that the Extra Ordinary General Meeting of the members of JBF Industries Limited will be held on Thursday, 4th October, 2018, at Daman Ganga Valley Resort, Silvassa – 396 230, at 11.30 a.m.

**SPECIAL BUSINESS:**

1.To approve JBFIL - Employees Stock Option Plan 2018 and in this regard, pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 42, 62 (1) (b) of the Companies Act, 2013("the Act") and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, including any statutory modification(s) or re-enactment of the Act for the time being in force and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the provisions of the Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto ("the SEBI ESOS Regulations"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI LODR Regulations"), the Listing Agreement entered into with the Stock Exchange where the securities of the Company are listed, any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals which may be agreed by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee), consent of the Shareholders be and is hereby accorded to introduce and implement the JBFIL- Employees Stock Option Plan 2018 ("ESOP - 2018") the salient features of which are detailed in the Explanatory Statement to this Notice and to create, grant, offer, issue and allot at any time in one or more tranches to or for the benefit of such person(s) who are in the permanent employment of the Company, whether working in India or outside India, including Director of the Company, whether Whole-time director or not, but excluding Promoter, Promoter group and independent Directors and such other persons as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws and Regulations prevailing from time to time (hereinafter collectively referred to as "Employees") selected on the basis of criteria decided by the Board under the ESOP-2018, such number of stock options convertible into Equity Shares of the Company ("Options"), in one or more tranches, not exceeding 40,00,000 equity shares of face value of ₹ 10/- each, at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with the ESOP-2018, and all provisions of applicable laws.

RESOLVED FURTHER THAT the Scheme may also envisage provisions for providing financial assistance to the Eligible Employees to enable them to acquire, purchase or subscribe to the said Securities of the Company in accordance with the provisions of the Act/Regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity to the eligible Employees upon exercise of Options from time to time in accordance with the ESOP-2018 and such equity shares shall rank pari-passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division or other re-organisation of capital structure of the Company, as applicable from time to time, if any additional equity shares are issued by the Company for the purpose of making a fair and reasonable adjustment to the Stock Options granted earlier, the above ceiling shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be issued and allotted on exercise of Options granted under the ESOP-2018 and the exercise price of Options granted under the ESOP-2018 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 10/- per equity share bears to their advised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted Stock Options under the ESOP-2018.

RESOLVED FURTHER THAT without prejudice to the generality of the above the Board, which includes the Nomination and Remuneration Committee is authorised to formulate, evolve, decide upon and implement the ESOP-2018, determine the detailed terms and conditions of the aforementioned ESOP-2018 including but not limited to the quantum of the Options to be granted per employee, the number of Options to be granted in each tranche, the terms or combination of terms subject to which the said Options are to be granted, the exercise period, the vesting period, the vesting conditions, instances where such Stock Options shall lapse and to grant such number of Options, to such employees of the Company, at par or at such other price, at such time and on such terms and conditions as set out in the ESOP-2018 and as the Board or the Nomination and Remuneration Committee may in its absolute discretion think fit.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee be designated as the Compensation Committee in accordance with Regulation 5(1) of the SEBI ESOS Regulations for the purposes of administration of ESOP-2018.

RESOLVED FURTHER THAT the Board is hereby authorised to make any modifications, changes, variations, alterations or revisions in the ESOP-2018 as it may deem fit, from time to time or to suspend, withdraw or revive the ESOP-2018 from time to time, in conformity with applicable laws, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

RESOLVED FURTHER THAT the Board shall take necessary steps for listing of the Equity Shares allotted under the ESOP-2018 on the Stock Exchanges, where the Shares of the Company are listed in accordance with the provisions of the SEBI ESOS Regulations, the SEBI LODR Regulations and other applicable laws and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to formulation and implementation of the ESOP-2018 at any stage including at the time of listing of the equity shares issued herein without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval there to expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein to Nomination and Remuneration Committee or such other Committees, with power to sub-delegate to any Executives/Officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard."

2. To approve of the JBF Industries Ltd ("JBF") - Employees Stock Purchase Scheme 2018 and if thought fit, to pass the following Resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 62 and 67 of the Companies Act, 2013 ("the Act"), Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions, if any, of the Act read with rules framed thereunder, the SEBI (Share Based Employee Benefits) Regulations, 2014 ("SEBI (SBEB) Regulations"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations") as amended/re-enacted from time to time, the Listing Agreement entered into by the

Company with the Stock Exchanges where the securities of the Company are listed, the provisions of the Articles of Association of the Company and any other applicable laws (collectively "Applicable Laws"), approval of the Members be and is hereby granted to the Employee Stock Purchase Scheme of the Company i.e. "JBF Industries Ltd - Employees Stock Purchase Scheme 2018" ("ESPS-2018"), to be implemented by direct allotment of shares to employees by the Company, for the benefit of the Employees as defined under ESPS-2018, by way of issue and/ or offer of fully paid-up Equity Shares of the Company to Eligible Employees in terms thereof, at such price or prices, in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board and in accordance with ESPS-2018 and the Act, SEBI (SBEB) Regulations and Applicable Laws, such that the shares to be allotted to the Eligible Employees, present and future, under ESPS – 2018 shall not exceed 24,00,000 equity shares of face value of ₹10/- each.

**RESOLVED FURTHER THAT** the Scheme may also envisage provisions for providing financial assistance to the Eligible Employees to the extent allowed under section 67 of the Companies Act, 2013 read with relevant Rules, to enable them to acquire, purchase or subscribe to the offer made under ESPS-2018 in accordance with the provisions of the Act/Regulations.

**RESOLVED FURTHER THAT** the Nomination and Remuneration Committee be designated as the Compensation Committee in accordance with Regulation 5(1) of the SEBI ESOS Regulations for the purposes of administration of ESPS-2018.

**RESOLVED FURTHER THAT** the Board or the Compensation Committee be and is hereby authorized to make any modifications, changes, variations, alterations or revisions to the ESPS-2018, as it may deem fit, from time to time and/or amend, modify, alter, vary, suspend, withdraw or revise the ESPS-2018 from time to time in conformity with the provisions of the Act, SEBI (SBEB) Regulations and other Applicable Laws, circulars and guidelines, provided that such variation, amendment, modification or alteration is not detrimental to the interest of the employees of the Company. Provided further that the Board or the Compensation Committee shall be entitled to vary the terms of the schemes to meet any regulatory requirements.

**RESOLVED FURTHER THAT** all equity shares to be issued and allotted under ESPS-2018 as aforesaid shall rank pari-passu including dividend inter-se with the then existing equity shares of the Company in all respects.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division or other re-organisation of capital structure of the Company, as applicable from time to time, if any, additional equity shares are issued by the Company for the purpose of making a fair and reasonable adjustment to the shares allotted earlier, the above ceiling shall be deemed to be increased to the extent of such additional equity shares issued.

**RESOLVED FURTHER THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be issued and allotted on acceptance of offer under the ESPS-2018 and shares offered under the ESPS-2018 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹10/- each per equity share bears to their revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been offered under the ESPS-2018.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above the Board, which includes the Compensation Committee is authorised to formulate, evolve, decide upon and implement the ESPS-2018, determine the detailed terms and conditions of the aforementioned ESPS-2018 including but not limited to the quantum of the shares offered per employee, the number of shares offered in each tranche, the terms or combination of terms subject to which the said offer, the exercise period, instances where such offer shall lapse and to offer such number of Shares, to such employees of the Company, at par or at such other price, at such time and on such terms and conditions as set out in the ESPS-2018 and as the Board or the Compensation Committee may in its absolute discretion think fit.

**RESOLVED FURTHER THAT** the Board shall take necessary steps for listing of the new Equity Shares allotted, if any, under the ESPS-2018 on the Stock Exchanges, where the Shares of the Company are listed in accordance with the provisions of the SEBI ESOS Regulations, the SEBI LODR Regulations and other applicable laws and Regulations.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to formulation and implementation of the ESPS-2018 at any stage including at the time of listing of the equity shares issued herein without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any powers conferred herein to Compensation Committee or such other Committees, with power to sub-delegate to any Executives/Officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard."

**3.To approve Amendment of Memorandum of Association and in this regard, pass the following resolution as a Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013, and Rules made thereunder (including any statutory amendment(s) or modification(s) thereto or enactment(s) or re-enactment(s) thereof for the time being in force) and pursuant to the provisions of Articles of Association of the Company, the authorised share capital of the Company of ₹ 225 Crores, as provided for in the Memorandum of Association of the Company be reflected/amended as follows:

| Capital | Face Value (₹) | No. of Shares |
|---|---|---|
| Equity Capital | 10/- | 100,000,000 |
| Preference Capital | 100/- | 11,500,000 |
| Compulsorily Convertible Preference Shares | 10/- | 10,000,000 |

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 13 and other applicable provisions, if any, of the Companies Act, 2013, and Rules made thereunder (including any statutory amendment(s) or modification(s) thereto or enactment(s) or re-enactment(s) thereof for the time being in force), the existing Clause V of the Memorandum of Association of the Company be replaced with the following new Clause 'V'

The Authorised Share Capital of Company is ₹ 2,250,000,000 (Rupees Two Hundred Twenty Five Crores Only) divided into 100,000,000 Equity Shares of ₹10/- each and 11,500,000 Cumulative Redeemable Preference Shares of 100/- each and 1,00,00,000 Compulsory Convertible Preference Shares of ₹ 10/- each with powers to increase the capital from time to time and divide the shares of the original or any increased capital into several classes and to attach thereto respectively, such preferential, qualified or special rights, privileges or conditions as regards capital, dividends, voting, or otherwise as regulations of the Company as originally framed or altered by Special Resolutions shall, for the time being prescribe and determine

**4.To approve Preferential Allotment of Compulsory Convertible Preference Shares pursuant to conversion of loan and in this regard, pass the following resolution as a Special Resolution:**

**RESOLVED THAT** pursuant to the provisions of Sections 42, 62(1)(c) and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended ("**ICDR Regulations**"), Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeover) Regulations, 2011 as amended ("**SEBI (SAST) Regulations**") all applicable circulars, notifications issued by the Securities and Exchange Board of India (**"SEBI"**), the Reserve Bank of India ("**RBI**"), stock exchanges on which the Equity Shares of the Company are listed, all other applicable laws, and also by any other statutory/regulatory authorities and subject to all such other approvals, permissions, consents and/or sanctions of any authorities, as may be necessary, and subject to such conditions and modifications, as may be prescribed by any one of them while granting any such approvals, consents, permissions and/or sanctions which may be agreed to by the Board of Directors of the Company, consent of the shareholders of the Company be and is hereby given to the Board of Directors of the Company (**the**

"Board") which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers (including the power conferred by this resolution), to create, offer, issue and allot, on preferential basis, in aggregate upto 74,03,896 — 0.001% Compulsorily Convertible Preference Shares of the face value of ₹ 10/- (Rupee Ten) each at a premium of ₹ 65/- (Rupees Sixty Five) each ("**CCPS**"), aggregating upto ₹ 55,52,92,278 convertible into ordinary equity shares of the Company ("**Preferential Issue CCPS**") to the following lenders of the Company ("**Lenders**") upto the maximum limit for each lender as mentioned below, upon conversion of a part of the loans taken by the Company from the respective Lenders:

| Lenders | Amount Outstanding (₹) | Maximum Number of CCPS to be issued and allotted |
|---|---|---|
| Mr. Bhagirath C Arya | 29,71,24,011 | 39,61,653 |
| Mr. Cheerag Arya | 5,36,87,963 | 7,15,839 |
| M/s. Vaidic Resources Pvt. Ltd | 20,44,80,304 | 27,26,404 |
| Total | **55,52,92,278** | **74,03,896** |

**RESOLVED FURTHER THAT** upon allotment of the CCPS to the respective Lenders pursuant to conversion of a part of their facilities/loans/advances into CCPS, the loans from each Lender to the Company shall stand reduced to the extent of conversion thereof into CCPS; and such loans/facilities so converted shall cease to carry any interest from the date of allotment of the CCPS;

**RESOLVED FURTHER THAT** subject to applicable laws, the terms of issue of the CCPS are as follows:

- The CCPS shall rank for dividend in priority to the equity shares of the Company, for the time being of the Company;
- The CCPS shall, in winding up be entitled to rank, as regards repayment of capital and dividend, upto the commencement of the winding up, in priority to the equity shares but shall not be entitled to any further participation in profits or assets or surplus fund;
- The payment of dividend of 0.001% per annum shall be on cumulative basis;
- Each CCPS shall be compulsorily convertible into one Equity Share of the Company, which option shall be exercised not later than the period specified in Regulation 75 of the ICDR Regulations and in accordance with all applicable laws;
- The CCPS and the Equity Shares to be allotted pursuant to conversion of the CCPS shall be in dematerialised form and subject to lock-in as applicable under ICDR Regulations;
- The voting rights of the persons holding the said CCPS shall be in accordance with the provisions of Section 47 and other applicable provisions of the Companies Act, 2013 and the rules thereunder (including any statutory modifications or re-enactments thereof for the time being in force);
- Holders of CCPS shall have the right to exercise the conversion option of the CCPS, in writing at any time, in one or more tranches, which shall not be later than the period specified in Regulation 75 of the ICDR Regulations and in accordance with all applicable laws;
- In the event the CCPS have not been converted on or before the expiry of 18 months from the date of allotment of the CCPS (at the option of the holders of the CCPS), the Company shall have an obligation to compulsorily redeem the CCPS at a price equivalent to the Net Present Value of each CCPS as may be agreed, in full, on a date falling 18 months from the date of allotment of the CCPS, ("**CCPS Redemption Date**"), in accordance with the provisions of the Companies Act, 2013, SEBI Regulations and applicable laws;
- The 'Relevant Date' under ICDR Regulations for the purpose of determination of price of equity shares upon conversion of the CCPS shall be a date 30 (Thirty) days prior to the date of this Meeting;
- The Board be and is hereby authorised to decide and approve the other terms and conditions of the issue of CCPS, and also shall be entitled to vary, modify or alter any of the terms and conditions, as it may deem fit, subject however to compliance with the ICDR Regulations, other applicable SEBI Regulations, the Companies Act, 2013 and other applicable laws;
- The Board be and is hereby authorised to delegate all or any of the powers herein conferred by this resolution to any Director(s) or to any Committee of Directors or employee(s) or officer(s) of the Company, as it may consider appropriate, to give effect to the aforesaid resolution; and
- As per the ICDR Regulations, the securities to be issued upon conversion of the facilities/ loans availed by the Company from the lenders shall be allotted within a period of 15 (Fifteen) days from the date of this resolution, provided that where the allotment is pending on account of pendency of any regulatory, Stock Exchange or Government of India (GOI) or other statutory approval(s) (including but not limited to the approval of the stock exchanges where the equity shares of the Company are listed) to the extent required under applicable laws, the allotment shall be completed within 15 (Fifteen) days of receipt of such approval(s).

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized, in its entire discretion, to do all such acts, matters, deeds and things and to take all such steps and to do all such things and give all such directions, as the Board may consider necessary, expedient or desirable, including without limitation, effecting any modification to the foregoing (including any modifications to the terms of the issue), to prescribe the forms of application, allotment, to enter into any agreements or other instruments, and to take such actions or give such directions as may be necessary or desirable and to file applications and obtain any approvals, permissions, sanctions which may be necessary or desirable and to settle any questions or difficulties that may arise and appoint consultants, valuers, legal advisors, advisors and such other agencies as may be required for the preferential issue of the CCPS without being required to seek any further clarification, consent or approval of the members and that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred by the above resolutions to any Director(s) or to any Committee of the Board or any other Officer(s) of the Company to give effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects."

BY ORDER OF THE BOARD OF DIRECTORS

UJJWALA APTE
Company Secretary

Place : Mumbai
Date : 4th September, 2018

# ANNEXURE TO NOTICE
# EXPLANATORY STATEMENT

As required under Section 102(1) of the Companies Act, 2013, the following Explanatory Statement is set out all material facts relating to items of special business mentioned in the Notice.

**Item No. 1**

Stock Options represent a reward system based on performance. They help companies attract, retain and motivate the best available talent. Stock Options also provide a company with an opportunity to optimise its personnel costs. This also provides an opportunity to employees to participate in the growth of thecompany, besides creating long term wealth in their hands.

Further, as the business environment is becoming increasingly competitive, it is important to attract and retain qualified, talented and competent personnel in the Company. Your Company believes in rewarding its Employees, for their continuous hard work, dedication and support, which has led the Company on the growth path.

Keeping in line with the above, "JBFIL- Employees Stock Option Plan 2018" ('the Scheme') has been formulated by the Company and to be implemented by Nomination & Remuneration Committee constituted under Section 178 of the Companies Act, 2013 in accordance with the requirements of Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI ESOS Regulations") issued by SEBI and other applicable laws. The Scheme has been approved by the Board of Directors at their Meeting held on 4th September, 2018 subject to the approval of the members.

The Scheme will be operated and administered under the superintendence of the Company's Nomination and Remuneration Committee, which is a Committee of the Board of Directors, the majority of whose Members are Independent Directors. The Nomination and Remuneration Committee will formulate the detailed terms and conditions of the Scheme including:

- Number of options to be granted to any Employee, and in the aggregate;
- Terms on which the options will vest;
- The conditions under which options vested in Employees may lapse in case of termination of Employees for misconduct;
- The exercise period within which an Employee should exercise the options, and lapsing of options on failure to exercise the options within the exercise period and determination of exercise price which may be different for different class/ classes of Employees falling in the same tranche of grant of Options issued under ESOP-2018;
- The specified time period within which the Employee shall exercise the vested options in the event of termination or resignation of the Employee;
- The right of an Employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
- The grant, vesting and exercise of options in case of Employees who are on long leave; and
- Any other related or incidental matters.

Brief Description of the Scheme is given as under:

*a) The total number of options to be granted*

The total number of options that may, in the aggregate, be issued would be such number of options which shall entitle the option holders to acquire in one or more tranches upto 40,00,000 equity shares of ₹ 10/- each (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organisation of the capital structure of the Company as may be applicable from time to time).

SEBI ESOS Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale or division, and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional Equity Shares are issued by the Company to the Option grantees for making such fair and reasonable adjustment, the above ceiling Shares shall be deemed to be increased to the extent of such additional equity shares issued

Vested options lapsed due to non-exercise and/or unvested options that get cancelled due to resignation of Option grantees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled options as per the provisions of ESOP-2018.

*b) Identification of classes of employees entitled to participate and be beneficiaries in the Scheme*

All permanent employees of the Company working in India or out of India and Directors of the company (whether Managing/Whole time Director or not) (present or future) (excluding promoters and an employee who is a Promoter or a person belonging to the Promoter Group) and further excluding a director who either by himself or through his relative or through any Body Corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company and excluding Independent Directors as may be decided by the Nomination and Remuneration Committee.

The class of Employees eligible for participating in the Scheme shall be determined on the basis of the grade, number of years' service, performance, and role assigned to the employee and such other parameters as may be decided by the Nomination and Remuneration Committee in its sole discretion from time to time.

The options granted to an Employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

*c) Terms of the scheme:*

(1) The Company shall not vary the terms of the schemes in any manner, which may be detrimental to the interests of the Option Grantees: Provided that the company shall be entitled to vary the terms of the schemes to meet any regulatory requirements.

(2) Subject to the proviso to sub-regulation (1), the company may by special resolution in a general meeting vary the terms of the schemes offered pursuant to an earlier resolution of the general body but not yet exercised by the employee provided such variation is not prejudicial to the interests of the Option Grantees.

(3) The notice for passing special resolution for variation of terms of the schemes shall disclose full details of the variation, the rationale therefore, and the details of the Option Grantees who are beneficiaries of such variation.

(4) The Company may re-price the options as the case may be which are not exercised, whether or not they have been vested if the terms of the grants were rendered unattractive due to fall in the price of the shares in the stock market; Provided that the company ensures that such re-pricing shall not be detrimental to the interest of the Option Grantees and approval of the shareholders in general meeting has been obtained for such re-pricing.

*d) Transferability of Employee Stock Options:*

(1) The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of the Option Grantee, the right to exercise all the Options granted to him till such date shall be vest in his legal heirs or nominees.

(2) In the event of resignation or termination of the Option Grantee, all the options which are granted and yet not vested as on that day shall lapse.

(3) In the event that an Option Grantee who has been granted benefits under a scheme is transferred or deputed to subsidiary company prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.

*e) Requirements of vesting and period of vesting*

Vesting of options may commence after a period of not less than one year from the date of grant. The vesting may occur in one or more tranches, subject to the terms and conditions of vesting, as stipulated in the ESOP-2018.

Following table shall be applicable in case of various scenarios (during employment) for vesting and exercising:

| Sr. No. | Separations | Vested Options | Unvested Options |
|---|---|---|---|
| 1 | Resignation | All Vested Options as on date of submission of resignation may be exercised by the Option Grantee on or before his last working day with the Company. | All Unvested Options on the date of submission of resignation shall stand cancelled with effect from that date. |
| 2 | Termination (With or without cause) | All Vested Options which were not allotted at the time of such termination shall stand cancelled with effect from the date of such termination. | All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date. |
| 3 | Retirement or early Retirement approved by the Company | All Vested Options as on date of retirement may be exercised by the Option Grantee within permitted exercise period. | All Unvested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within permitted exercise period. |
| 4 | Death | All Vested Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 6 months from the date of Death. | All the Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir/s within 6 months from the date of Death. |
| 5 | Permanent Disability | All Vested Options may be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to such disability, the nominee or legal heir, immediately after, but in no event later than 6 months from the date of such disability. | All the Unvested Options as on the date of such Permanent Disability shall vest immediately and can be exercised by the Option Grantee or, if the Option Grantee is himself unable to exercise due to such incapacity, the nominee or legal heir immediately after, but in no event later than 6 months from the date of such disability. |
| 6 | Abandonment* | All the Vested Options shall stand cancelled. | All the Unvested Options shall stand cancelled. |
| 7 | Other reasons apart from those mentioned above | The Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final. | All Unvested Options on the date of separation shall stand cancelled with effect from that date. |

*The Board/ Committee, at its sole discretion shall decide the date of cancellation of Option's and such decision shall be binding on all concerned.

*f) Maximum period within which the options shall be vested*

The maximum vesting period may extend up to 5 (five) years from the date of grant of options, unless otherwise decided by the Nomination and Remuneration Committee.

*g) Exercise price or pricing formula*

Exercise Price means the price at which the Option Grantee is entitled to acquire the equity shares pursuant to the options granted and vested in him/her under the Scheme.

The Exercise Price shall be equal to ₹ 10/- (Rupees Ten only) per option or any other price as may be decided by the Committee. In any case, the Exercise Price per Option shall not be less than the face value of shares and it may be different for different class/classes of Employees falling in the same tranche of grant of Options issued under ESOP- 2018.

*h) Exercise period and process of exercise*

The Exercise period shall not be more than 5 years from the date of respective vesting of Options. The options granted may be exercised by the Grantee at one time or at various points of time within the exercise period as determined by the Committee from time to time.

The Vested options shall be exercisable by the employees by a written application (which will include making applications online using any ESOP administration software) to the Company expressing his/ her desire to exercise such options in such manner and on such format as may be prescribed by the Nomination and Remuneration Committee from time to time. The options shall lapse if not exercised within the specified exercise period.The options may also lapse, under certain circumstances even before the expiry of the specified exercise period.

Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company, or by any other payment methods prevalent in RBI recognized banking channels or in such other manner and subject to such procedures as the Board/ Committee may decide.

*i) Appraisal Process for determining the eligibility of Employees to the Scheme.*

The appraisal process for determining the eligibility of the Employee will be specified by the Nomination and Remuneration Committee and will be based on criteria such as the grade of Employee, length of service, performance record, merit of the Employee, future potential contribution by the Employee and/or by any such criteria that may be determined by the Nomination and Remuneration Committee.

*j) Maximum number of options to be issued per Employee and in the aggregate*

The number of Options that may be granted to any specific employee under ESOP-2018 shall not exceed the number of Shares equivalent to 1% of the Issued Share Capital of the Company and in aggregate if the prior specific approval from members of the Company through a special resolution to this effect is not obtained.

*k) Certificate from auditors*

The Board of Directors shall at each annual general meeting place before the shareholders a certificate from the auditors of the company that the scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the company in the general meeting.

*l) Whether the scheme is to be implemented and administered directly by the Company or through a trust*

The Scheme will be implemented directly by the Company under the guidance of the Nomination and Remuneration Committee of the Board.

*m) Whether scheme involves new issue of shares by the Company or Secondary acquisition by the trust*

The Scheme will involve only new issue of shares by the Company.

*n) Disclosure and accounting policies*

The Company shall conform to the accounting policies specified by Securities & Exchange Board of India as per the SEBI ESOS Regulations, amended from time to time and relevant Accounting Standard as may be prescribed by the Institute of Chartered Accountants of India (ICAI) or by any other Statutory authority from time to time.

*o) Method of Valuation*

The Company follows fair value method for computing the compensation cost, if any, for the options granted. The company will follow IFRS/IND AS/ any other requirements for the same.

*p) Rights of the option holder*

The employee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to him, till shares are allotted upon exercise of option.

*q) Consequence of failure to exercise option*

All unexercised options shall lapse if not exercised on or before the exercised period ends. The amount payable by the employee, if any, at the time of grant of option, -

(a) may be forfeited by the company if the option is not exercised by the employee within the exercise period; or

(b) may be refunded to the employee if the options are not vested due to non-fulfilment of conditions relating to vesting of option as per the Scheme.

*r) Other terms*

The Board or Nomination and Remuneration Committee shall have the absolute authority to vary, modify or alter the terms of the Scheme in accordance with the regulations and guidelines as prescribed by the Securities and Exchange Board of India or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interest of the Option Grantees.

The Board or Nomination and Remuneration Committee may, if it deems necessary, modify, change, vary, amend, suspend or terminate the ESOP - 2018, subject to compliance with the Applicable Laws and Regulations.

The shares may be allotted directly to the Option Grantees in accordance with the Scheme and such Scheme may also contain provisions for providing financial assistance to the Employees to enable the Employees to acquire or subscribe to the shares.

As the Scheme would entail further shares to be offered to persons other than existing Members of the Company, consent of the members is sought pursuant to the provisions of section 42 and 62 (1) (b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per the requirement of Clause 6 of the SEBI ESOS Regulations.

None of the Directors and Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution No. 1, except to the extent of their shareholding entitlements, if any, under the ESOP Scheme.

Your Directors recommend the Resolution set out in Item No. 1 of the Notice for adoption by the Shareholders as Special Resolution/s.

**Item No. 2**

Stock Purchase represents a reward system based on performance. They help companies retain and motivate the best available talent. Stock Purchase also provides a company with an opportunity to optimise its personnel costs. This also provides an opportunity to employees to participate in the growth of the company, besides creating long term wealth in their hands.

Further, as the business envir onment is becoming increasingly competitive, it is important to retain qualified, talented and competent personnel in the Company. Your Company believes in rewarding its Employees for their continuous hard work, dedication and support, which has led the Company on the growth path.

Keeping in line with the above, 'JBF - Employees Stock Purchase Scheme 2018 ("ESPS-2018")' has been formulated by the Company and to be implemented by Compensation Committee constituted under Section 178 of the Companies Act, 2013 in accordance with the requirements of Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI ESOS Regulations") issued by SEBI and other applicable laws. The Scheme has been approved by the Board of Directors at their Meeting held on 4th September, 2018 subject to the approval of the members.

ESPS-2018 contemplates fresh issue of shares directly by the Company to employees. The Company would take necessary approvals from the Stock exchanges, if required in case of fresh issue of shares to the Employees.

The Scheme will be operated and administered under the superintendence of the Company's Compensation Committee, which is a Committee of the Board of Directors, the majority of whose Members are Independent Directors. The Compensation Committee will formulate the detailed terms and conditions of the Scheme including:

- Offer to be made to any Employee, and in the aggregate;
- Period in which the offer can be accepted;
- The conditions under which offer made to the Employees may lapse in case of termination of Employees for misconduct;
- The exercise period within which an Employee should accept the offer, and lapsing of offer on failure to acceptance within the exercise period and determination of exercise price which may be different for different class/ classes of Employees falling in the same tranche of offer issued under ESPS-2018;
- The right of an Employee to exercise all the offer made to him at one time or at various points of time within the exercise period;
- The procedure for making a fair and reasonable adjustment to the number of offers and to the exercise price in case of rights issues, bonus issues and other corporate actions;
- The accept the offer in case of Employees who are on long leave; and
- Any other related or incidental matters.

Brief Description of the Scheme is given as under:

The Company has instituted ESPS-2018 to grant equity-based incentives to its eligible employees in order to inter-alia retain talented employees and reward their performance.

*a) The total number of shares/benefits*

The total number of shares that may, in the aggregate, be issued would be such number of shares which shall entitle the employees to acquire in one or more tranches upto 24,00,000 equity shares of ₹10/- each (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organisation of the capital structure of the Company as may be applicable from time to time).

SEBI ESOS Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale or division, and others, a fair and reasonable adjustment needs to be made to the employees offered. Accordingly, if any additional Equity Shares are offered by the Company to the Employees for making such fair and reasonable adjustment, the above ceiling Shares shall be deemed to be increased to the extent of such additional equity shares issued

*b) Identification of classes of employees entitled to participate and be beneficiaries in the Scheme*

Following employees shall be entitled to participate and be beneficiaries in the Scheme:-

(i) a permanent employee of the Company working in India or out of India;

(ii) Director of the Company whether whole-time or not, and

(iii) an employee defined in Sub-clauses (i) and (ii) hereof of one or more Holding and/or Subsidiary Company(ies)whether in or outside India, but does not include:

a. an employee who is a Promoter or a person belonging to the Promoter Group;

b. a Director who either by himself /herself or through his/her relatives or through any Body Corporate, directly or indirectly, holds more than 10% of the issued and subscribed Equity Shares of the Company; and

c. an Independent Director within the meaning of the Companies Act and under Securities Board of India (Listing Obligations and Disclosure Regulations) Regulations, 2015.

The class of Employees eligible for participating in the Scheme shall be determined on the basis of the grade, number of years' service, performance, role assigned to the employee and such other parameters as may be decided by the Compensation Committee in its sole discretion from time to time.

*c) Terms of the scheme:*

(1) The Company shall not vary the terms of the schemes in any manner, which may be detrimental to the interests of the Employees: Provided that the company shall be entitled to vary the terms of the schemes to meet any regulatory requirements.

(2) Subject to the proviso to sub-regulation (1), the company may by special resolution in a general meeting vary the terms of the schemes offered pursuant to an earlier resolution of the general body but not yet accepted by the employee provided such variation is not prejudicial to the interests of the Employees.

(3) The notice for passing special resolution for variation of terms of the schemes shall disclose full details of the variation, the rationale therefore, and the details of the Employees who are beneficiaries of such variation.

(4) The Company may re-price the shares offered as the case may be which are not accepted, due to fall in the price of the shares in the stock market; Provided that the company ensures that such re-pricing shall not be detrimental to the interest of the employees and approval of the shareholders in general meeting has been obtained for such re-pricing.

*d) Transferability of Offer:*

The Offer made to an Employee under the terms of this Scheme shall not be transferable to any person and it shall not be sold, assigned, pledged, hypothecated, mortgaged or otherwise transferred or alienated in any manner, other than by execution of a will or through succession in favour of legal heirs in case of death of the Employee. The offer to an Employee under this Scheme may be exercised only by the Employee.

*e) Requirements of Offer & Period of Offer*

The Offer may be made in one or more tranches, subject to the terms and conditions of Offer, as stipulated in the ESPS-2018.

Following table shall be applicable in case of various scenarios in case of cessation of Employment:

(1) In the event of Resignation/termination of the Employee's employment with the Company for any reason other than death, permanent incapacity or superannuation, the shares offered to the Employee not yet allotted as on the date of such resignation/termination shall lapse.

(2) In the event of termination of the Employee's employment with the Company as a result of his total or permanent disability or superannuation, all the shares offered to him which are not yet allotted as of the date of such total or permanent disability or superannuation can be accepted by him.

(3) In the event of death of an Employee while in employment of the Company and who would have continued to be in the service of the Company but for his death, Offer of shares to him which are not yet allotted can be accepted by his legal heirs.

(4) In case of any other cessation event, the Compensation Committee/Board will have the right to decide the status of offer made to their employees which are not yet allotted under this Scheme.

*The Board/ Compensation Committee, at its sole discretion shall decide the date of cancellation of Offer and such decision shall be binding on all concerned.

*f) Period for which the shares are locked in*

Unless otherwise specified in the Offer, the Shares shall have a lock-in period of one year from the date of allotment.

*g) Exercise price or pricing formula*

Shares can be offered under ESPS – 2018 by the Board / Committee as authorized, to the eligible employees at lower of following:-

Latest available closing market price on a recognised stock exchange on which the shares of the company are listed on the date immediately prior to the date of the meeting of the Board / Committee as may be authorised in which such shares are offered. If such shares are listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume shall be considered as the market price; or ₹ 45/- per share.

*h) Exercise period and process of exercise*

Unless specified in the offer document, the Shares offer under the Scheme shall be Exercisable by the Employee within a period of 30 days from the date of offer.

All Employees shall deliver a duly signed written notice of acceptance, in the prescribed form, to the Compensation Committee / Company Secretary within the Exercise Period setting forth the number of Share to be accepted, the Exercise Date and the method of payment of the Exercise Price.

No person other than the Employee would be entitled to accept the offer in full or in part. Any Employee who wishes to accept an offer made must deliver an acceptance, in such form as the Board/Compensation Committee may from time to time prescribe, duly completed and signed as required therein, to the Board/Compensation Committee on or before the Closing Date stated in the offer.

At the time of acceptance of offer, a further amount as may be required to be paid by the Employee as required by Income Tax rules, from time to time payable per share will also be paid by employee to the Company. Company shall deduct/collect income tax at source as may be required by law.

Upon receipt of the full amount of the Exercise Price and related amount of Tax Deducted as Source (TDS) /withholding tax, if any, in respect of the shares to be issued by, the Company shall within one month of the payment of Exercise Price & TDS/withholding tax effect allotment to the Employee.

*i) Appraisal Process for determining the eligibility of Employees to the Scheme.*

The appraisal process for determining the eligibility of the Employee will be specified by the Compensation Committee and will be based on criteria such as the grade of Employee, length of service, performance record, merit of the Employee, future potential contribution by the Employee and/or by any such criteria that may be determined by the Compensation Committee.

*j) Maximum number of shares to be issued per Employee and in the aggregate*

The number of shares under the offer can be made to any specific employee under ESPS-2018 shall not exceed the number of Shares equivalent to 1% of the Issued Share Capital of the Company and in aggregate if the prior specific approval from members of the Company through a special resolution to this effect is not obtained.

*k) Certificate from auditors*

The Board of Directors shall at each annual general meeting place before the shareholders a certificate from the auditors of the company that the scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the company in the general meeting.

*l) Whether the scheme is to be implemented and administered directly by the Company or through a Trust*

The Scheme will be implemented and administered through a fresh allotment by the Company under the guidance of the Board/Compensation Committee.

*m) Whether scheme involves new issue of shares by the Company or Secondary acquisition by the Trust*

The Scheme involves fresh issue of shares offered to the Eligible Employees in accordance with the Scheme as well as under the general direction and supervision by the Board/Compensation Committee.

The Company does not intent to acquire shares through the Secondary Market.

*n) The amount of loan to be provided for implementation of the scheme(s) by the Company to the Trust for the purposes of the Scheme*

Not Applicable

*o) Disclosure and accounting policies*

The Company shall conform to the accounting policies specified by Securities & Exchange Board of India as per the SEBI ESOS Regulations, amended from time to time and relevant Accounting Standard as may be prescribed by the Institute of Chartered Accountants of India (ICAI) / as per IND AS from time to time.

p) Method of Valuation

As only the shares are issued under the ESPS-2018, the need for valuation of same does not arise.

q) Other terms

The Board of Directors or the Compensation Committee as authorized, may subject to compliance with applicable provisions of The Companies Act and the Rules thereon, provide loan from the Company to the eligible employees with a view to enabling them to purchase or subscribe for fully paid-up shares in the company under the ESPS-2018.

The Board of Directors or the Compensation Committee as authorized may subject to compliance with Applicable Laws, at any time alter, amend, suspend or terminate the ESPS-2018, provided that such variation, amendment, modification or alteration is not detrimental to the interest of the employees of the Company. Provided further that the Board of Directors or the Compensation Committee shall be entitled to vary the terms of the Scheme to meet any regulatory requirements.

Further the Company may provide financial assistance to the Eligible Employees to enable them to acquire, purchase or subscribe to the offer made under ESPS - 2018 in accordance with the provisions of the Act/Regulations.

As the Scheme would entail further shares to be offered to persons other than existing Members of the Company, consent of the members is sought pursuant to the provisions of section 62 and all other applicable provisions, if any, of the Companies Act, 2013 and as per the requirement of Regulation 6 of the SEBI ESOS Regulations.

None of the Directors and Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution No. [2], except to the extent of their shareholding entitlements, if any, under the ESPS Scheme.

Your Directors recommend the Resolution set out in Item No. [2] of the Notice for adoption by the Shareholders as Special Resolution/s.

**Item No. 3**

The performance of the Company was adversely impacted by sustained pressure in global commodities market, foreign exchange fluctuations and overall economic downturn. Due to turbulent economic market conditions in global markets coupled with steep fall in the value addition in ranges such as PTA- PET, CHIPS-YARN etc., the business of the Company had an adverse impact and suffered operational losses.

JBF Petrochemicals Limited ("**JBF Petro**") is a step down subsidiary of the Company.JBF Petro's greenfield project for the manufacture of 1.25 million tonne per annum of Purified Terephthalic Acid (PTA) at D-4, 214, Village Bajpe and Kalavar, Mangalore SEZ, Taluka Mangalore District Dakshina Kannada, Karnataka - 574 142 ("**Project**") has been delayed and is not yet completed and accordingly, JBF Petro has not been able to generate revenue, and in turn, the Company and JBF Petro have not been able to meet their debt obligations.

For the purpose of inter alia bringing about the corporate restructuring and reorganization of inter alia the Company, the Company, Mr. Bhagirath Arya, Mrs. Chinar Arya Mittal, Mr. Cheerag Bhagirath Arya, Mrs. Veena Bhagirath Arya and M/s. Vaidic Resources Private Limited and M/s. KKR Jupiter Investors Pte. Ltd. have entered into a binding term sheet dated August 14, 2018 and have devised a two-fold restructuring and reorganisation scheme – (i) corporate restructuring and reorganisation of inter alia JBF Petro and the Company; and (ii) restructuring scheme whereby the debt obligations owed by the Company to its creditors are proposed to be restructured/refinanced and the defaults on the part of the Company are proposed to be regularised ("**Restructuring**").

Accordingly, the Company and certain creditors have discussed the terms of the Restructuring of the Company; and it has been proposed to convert the loans (in whole or part) taken by the Company from certain creditors into compulsorily convertible preference shares. The said shares shall be allotted to certain creditors under Section 62(1)(c) and all other applicable provisions of the Companies Act, 2013 and the rules framed thereunder.

The present Capital structure of the Company is as under:

| Particulars | Authorised Share Capital | | Issued/Subscribed/Paid up Share Capital | |
|---|---|---|---|---|
| | Number of shares | Value in ₹ | Number of shares | Value in ₹ |
| Equity Shares | 100,000,000 | 1,000,000,000 | 8,18,71,849 | 81,87,18,490 |
| Preference Shares | 115,000,000 | 1,000,000,000 | 14,90,709 | 14,90,70,900 |
| CCPS | 10,000,000 | 100,000,000 | --- | --- |

Keeping in view of the aforesaid, the Company needs to create adequate headroom to accommodate issuance of compulsorilyconvertible preference shares in the following manner:

| Particulars | Present Authorised Share Capital | | Proposed Authorised Share Capital | |
|---|---|---|---|---|
| | Number of shares | Value in ₹ | Number of shares | Value in ₹ |
| Equity Shares | 8,18,71,849 | 81,87,18,490 | 8,18,71,849 | 81,87,18,490 |
| Preference Shares | 14,90,709 | 14,90,70,900 | 14,90,709 | 14,90,70,900 |
| CCPS | ------ | ------ | 74,03,896 | 7,40,38,960 |

Section 13 read with Section 61 of the Act requires the Company to obtain the approval of the Shareholders for alteration of Clause V of Memorandum of Association ('MOA'). The proposed alteration in Clause V of MOA is within the scope of Section 61 of the Act.

The draft of the Memorandum of Association of the Company, after incorporating the proposed changes is available for inspection by the Members at the Registered Office of the Company during business hours on any working day upto the date of the Meeting and will be kept open at the place of the Meeting during the continuation of the Meeting.

The Directors recommend the Resolution as set out at Item No. 3 of the accompanying Notice for approval of the Members of the Company.

None of the Directors or their relatives, Key Managerial Personnel or their relatives are in any way concerned or interested, financial or otherwise, in the proposed Resolution.

**Item No. 4**

The performance of the Company was adversely impacted by sustained pressure in global commodities market, foreign exchange fluctuations and overall economic downturn. Due to turbulent economic market conditions in global markets coupled with steep fall in the value addition in ranges such as PTA- PET, CHIPS-YARN etc., the business of the Company had an adverse impact and suffered operational losses.

JBF Petrochemicals Limited ("**JBF Petro**") is a step down subsidiary of the Company.JBF Petro's greenfield project for the manufacture of 1.25 million tonne per annum of Purified Terephthalic Acid (PTA) at D-4, 214, Village Bajpe and Kalavar, Mangalore SEZ, Taluka Mangalore District Dakshina Kannada, Karnataka - 574142 ("**Project**") has been delayed and is not yet completed and accordingly, JBF Petro has not been able to generate revenue, and in turn, the Company and JBF Petro have not been able to meet their debt obligations.

For the purpose of inter alia bringing about the restructuring and reorganization of inter alia the Company, the Company, Mr. Bhagirath Arya, Mrs. Chinar Arya Mittal, Mr. Cheerag Bhagirath Arya, Mrs. Veena Bhagirath Arya and M/s. Vaidic Resources Private Limited and M/s. KKR Jupiter Investors Pte. Ltd. have entered into a binding term sheet dated August 14, 2018 and have devised a two-fold restructuring and reorganisation scheme – (i) corporate restructuring and reorganisation of inter alia JBF Petro and the Company; and (ii) restructuring scheme whereby the debt obligations owed by the Company to its creditors are proposed to be restructured/refinanced and the defaults on the part of the Company are proposed to be regularised ("**Restructuring**").

Accordingly, the Company and the Lenders have discussed the terms of the Restructuring of the Company; and it has been proposed to convert the loans (in whole or part) taken by the Company from the Lenders into 0.001% CCPS as mentioned in the Resolution. The said CCPS shall be allotted to the Lenders under Section 62(1)(c) and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder.

The conversion of the loans into CCPS and the subsequent conversion of the CCPS into equity shares shall be at a price of ₹ 75/- (Rupees Seventy Five) per CCPS as determined in accordance with SEBI ICDR Regulations, which is calculated as on the Relevant Date i.e. 4th September, 2018 being the date 30 days prior to the date of this Meeting. Upon allotment of the CCPS by the Company to the Lenders, the loans from each Lender to the Company shall stand reduced to the extent of the conversion thereof to the equity shares.

In terms of Section 62(1)(c) of the Companies Act, 2013 read with the ICDR Regulations, the preferential issue of the CCPS requires approval of the Company's members by way of a special resolution. The Board, therefore seeks approval of the members as set out in the notice, by way of a special resolution.

The preferential issue of the equity shares will be governed by the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company, the Listing Regulations, the ICDR Regulations, other SEBI regulations and all applicable laws.

The recognized stock exchange referred to above means, either of the BSE Limited (the "BSE") or the National Stock Exchange of India Limited (the "NSE") on which the equity shares of the Company are listed and on which the highest trading volume in respect of the equity shares of the Company, during the preceding two weeks/twenty six weeks, prior to the Relevant Date.

It may be noted that as per Chapter VII of ICDR Regulations, it is necessary to disclose the details of the investor and certain other matters to the shareholders, while seeking their approval for issuing the equity shares on preferential basis. Hence, the relevant disclosures/ details are given below:

(i) Objects of the Issue:

The Board proposes to issue the CCPS to the Lenders upon conversion of loans to reduce the debt of the Company. The Board is of the view that considering the huge amount of borrowings of the Company, there is a need to reduce the burden on the Company to service the debt in terms with the Restructuring. Hence, the Board recommends the preferential issue of the CCPS to the Lenders.

(ii) Intention of the promoters, directors or key managerial personnel of the Company to subscribe to the Preferential Allotment:

The following promoters, directors or key managerial personnel are proposing to subscribe to equity shares under this preferential issue of equity shares:

| Name | Promoter / Director / Key Managerial Personnel |
|---|---|
| Mr. Bhagirath C Arya | Promoter |
| Mr. Cheerag Arya | Promoter |
| M/s. Vaidic Resources Pvt. Ltd | Promoter |

**(i) Shareholding pattern of the Company, before and after the Preferential issue:**

The pre-allotment (as on 31st August, 2018) being the latest practicable date on which shareholder data was available prior to the approval and issuance of the notice to Members) and post-issue shareholding pattern of the Company, is as under:

| Category of Shareholders | Pre-Preferential Allotment Holding* | | Category of Shareholders | Post Preferential Allotment Holding* | |
|---|---|---|---|---|---|
| | Total Number | % Holding | | Total Number | % Holding |
| Indian Promoter | 2,39,52,998 | 29.26 | Indian Promoter | 3,13,56,894 | 35.13 |
| Bodies Corporate | 63,69,578 | 7.78 | Bodies Corporate | 63,69,578 | 7.13 |
| Mutual Fund/Banks/ Financial Institution/ Insurance Companies | 21,29,299 | 2.60 | Mutual Fund/Banks/ Financial Institution/ Insurance Companies | 21,29,299 | 2.39 |
| FPI/FII/FC/NRI | 3,02,36,019 | 36.93 | FPI/FII/FC/NRI | 3,02,36,019 | 33.86 |
| Indian Public | 1,91,83,955 | 23.43 | Indian Public | 1,91,83,955 | 21.49 |
| **Total** | **8,18,71,849** | **100** | | **8,92,75,745** | **100** |

This table shows the expected shareholding pattern of the Company upon consummation of the preferential allotment, full conversion of the CCPS and assuming that holdings of all other shareholders (other than the Lenders), shall remain the same post-Issue, as they were on the date on which the pre-issue shareholding pattern was prepared.

**(i) Proposed time within which the Preferential Allotment shall be completed:**

Under Regulation 74(1) of the ICDR Regulations, preferential allotment pursuant to a special resolution shall be completed within a period of 15 days from the date of passing of such resolution provided where any statutory approvals are to be obtained for the preferential issue, the period of 15 days shall be counted from the date on which the last of the statutory approval(s) required for the preferential issue is duly obtained. Accordingly, the allotment of the equity shares shall take place within the applicable period in terms of the applicable law or such extended time.

**(ii) The identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue**

| Name of Allottee | Number of Equity Shares to be Issued | % of post-issue equity capital |
|---|---|---|
| Mr. Bhagirath C Arya | 39,61,653 | 4.44 |
| Mr. Cheerag Arya | 7,15,839 | 0.80 |
| M/s. Vaidic Resources Pvt. Ltd | 27,26,404 | 3.05 |
| TOTAL | **74,03,896** | **8.29** |

**Change in control:** As a result of the proposed preferential issue of equity shares upon conversion of loans into equity shares, there will be no change in the control of the Company. Since the preferential issue of shares is to natural persons being Mr. Bhagirath C Arya and Mr. Cheerag Arya, & M/s. Vaidic Resources Pvt. Ltd the ultimate beneficial owners of the equity shares, shall be Mr. Bhagirath C Arya and Mr. Cheerag Arya, & M/s. Vaidic Resources Pvt. Ltd themselves. As far as the preferential issue of shares to Mr. Bhagirath C Arya and Mr. Cheerag Arya, & M/s. Vaidic Resources Pvt. Ltd is concerned, the ultimately beneficial owners of such entity are as follows: Mr. Bhagirath C Arya and Mr. Cheerag Arya, & M/s. Vaidic Resources Pvt. Ltd.

**The number of persons to whom allotment on preferential basis have already been made during the year in terms of number of securities as well as price:**

During the year, the Company has not made any allotment on preferential basis to any person.

**(iii) Requirements as to re-computation of price:**

Since the Equity Shares of the Company have been listed on the stock exchanges for a period of more than twenty six weeks prior to the Relevant Date, the Company is neither required to re-compute the price of the equity shares nor to submit undertakings specified under Regulation 73(1) (f) and (g) of the ICDR Regulations.

**(iv) Relevant Date and Issue Price:**

In terms of Chapter VII of ICDR Regulations, since the equity shares of the Company have been listed on the recognized stock exchanges for a period of more than twenty six weeks as on the Relevant Date, the equity shares proposed to be issued to the Lenders upon conversion of the CCPS will be issued and allotted at a price not less than the higher of the following in terms of Regulation 76 of the ICDR Regulations:

i. The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognized stock exchange during the twenty six weeks preceding the relevant date (as defined below); or

ii. The average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognized stock exchange during the two weeks preceding the relevant date (as defined below).

The "Relevant Date" for the preferential issue, as per the ICDR Regulations, for the determination of applicable price for the issue of the equity shares upon conversion of the CCPS shall be 4th September, 2018 which is the date that is 30 (thirty) days prior to the date of this Meeting.

Accordingly, the issue price of ₹ 75/- (Rupees Seventy Five) per equity share, at which the CCPS will be converted into is higher than the prices determined in accordance with Regulation 76 of the ICDR Regulations.

**(v) Lock-In Period:**

The CCPS and the equity shares allotted pursuant to the conversion of the CCPS shall be locked-in as per the provisions of the ICDR Regulations, as amended from time to time.

**(vi) Auditor's Certificate:**

The Statutory Auditor's of the Company, H D Pathak & Associates, Chartered Accountants have issued a certificate confirming that the issue of the equity shares is being made in accordance with the requirements of the ICDR Regulations.

Mr. Bhagirath C Arya and Mr. Cheerag Arya of the Company are deemed to be concerned or interested in the Resolution. The Board recommends the resolution at Item No. 4 for adoption as a special resolution.

BY ORDER OF THE BOARD OF DIRECTORS

UJJWALA APTE
Company Secretary

Place : Mumbai
Date : 4th September, 2018

**NOTES:**

1. A Member entitled to attend and vote at the Extraordinary General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on poll instead of himself/ herself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight (48) hours before the commencement of the Meeting.

   Pursuant to provision of section 105 of the Companies Act, 2013 read with applicable rules thereon, a person can act as a proxy on behalf of member not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.

3. Members/Proxies/Representatives should bring the enclosed Attendance Slip, duly filled in, for attending the Meeting. Copies of the Annual Report or Attendance Slips will not be distributed at the Meeting.

4. Once the vote on a resolution is casted by the member, the member shall not be allowed to change it subsequently. Further, members who have casted their vote electronically shall not vote by way of poll, if held at the meeting. To provide an opportunity to vote at the meeting to the shareholders, who have not exercised the remote e-voting facility, shall be provided ballot paper before the commencement of the meeting. Any person who is not a member as on the cut-off date should treat this Notice for information purpose only.

5. The Members whose names appear in the Register of Members / list of Beneficial Owners as received from Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) on 27th September, 2018, are entitled to vote by Ballot Paper attending Extraordinary General Meeting in person(s) on the resolutions set forth in this notice.

6 Please note that any person, who acquires shares of the company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Thursday, 27th September, 2018 is entitled to vote and may obtain the login ID and password by sending a request by email to : https://www.evoting.nsdl.com/ or sec.shares@jbfmail.com

## Instructions for E-Voting

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1 :** Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

**Step 2 :** Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below :

How to Log-into NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at **https://eservices.nsdl.com/** with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******. |
| b) For Members who holdshares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12********** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Your password details are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

The E-Voting period starts on 1st October, 2018 at 9.00 a.m. and ends on 3rd October, 2018 at 5.00 p.m. The e-voting module shall be disabled by NSDL, for voting thereafter.

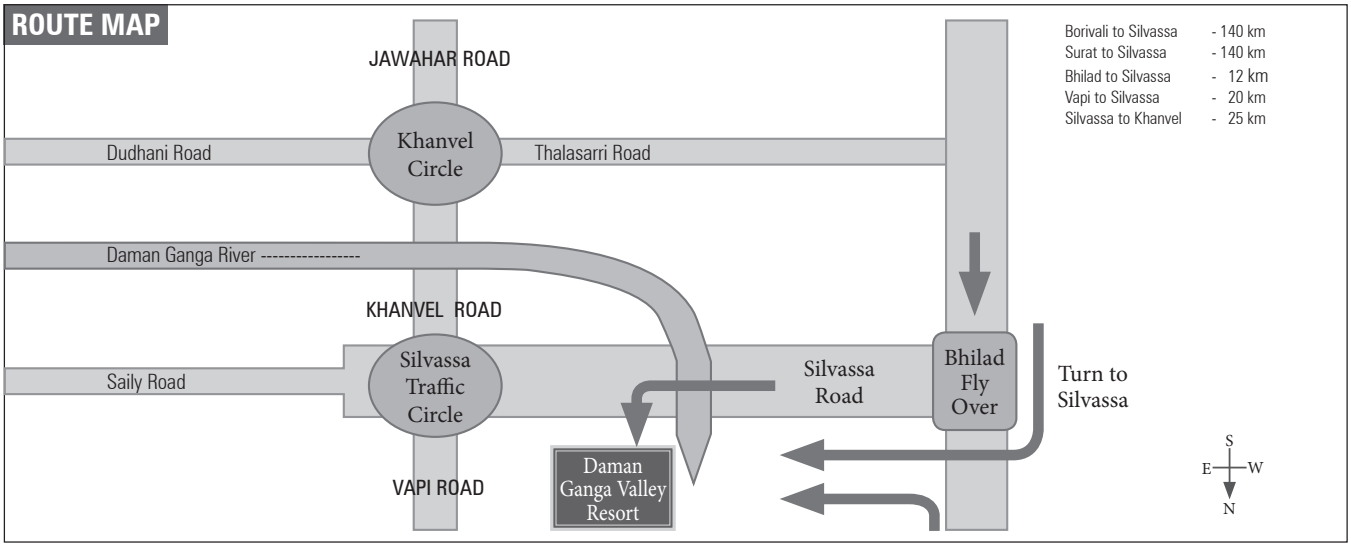
1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to jppvapi13@csjpc.in with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

CS Mr. Ronak Kalathiya and / or CS Ms. Monali Patel practicing Company Secretary of M/s. Jagdish Patel & Co., of Vapi, has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

## ROUTE MAP



# PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

## JBF INDUSTRIES LIMITED

CIN : L99999DN1982PLC000128 REGD. OFFICE : SURVEY NO. 273, VILLAGE ATHOLA, SILVASSA-396 230

| | | | |
|---|---|---|---|
| Name of the member (s) : | | | |
| Registered address : | | | |
| E-mail Id : | | | |
| Folio No/Client ID : | | DP ID : | |

I/ We, being the member (s) of ..... shares of the above named company, hereby appoint

1. …….. of …… having E-mail Id : …… or failing him.

2. …… of …… having E-mail Id : …… or failing him.

3. …… of …… having E-mail Id : …… .

o attend and vote (on a poll) for me/us and on my/our behalf at the Extra - Ordinary General Meeting of the Company, to be held on the Thursday, 4th day of October, 2018 at 11.30 a.m at Daman Ganga Resort, Silvassa and at any adjournment therof in respect of such resolution as are indicated below:

| Item No. | Resolution | For | Against |
|---|---|---|---|
| 1 | To approve JBFIL - Employees Stock Option Plan 2018 | | |
| 2 | Approval of the JBF Industries Ltd ("JBF") - Employees Stock Purchase Scheme 2018 | | |
| 3 | Alteration of Memorandum | | |
| 4 | Preferential Allotment of CCPS pursuant to conversion of loan to equity | | |

Signed this …… day of……..... 2018

Affix ₹ 1/-
Revenue
Stamp

Signature of Proxy holder(s) Signature of shareholder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.