JBF Industries Limited

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MINUTES OF THE THIRTYSEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF JBF INDUSTRIES LIMITED HELD ON FRIDAY, 20TH SEPTEMBER, 2019, AT REGISTERED OFFICE, AT SURVEY NO. 273, VILLAGE ATHOLA, SILVASSA – 396 230, AT 3.00 P.M.

PRESENT

MR. SANJAY THAPLIYAL	**DIRECTOR - OPERATIONS**
MRS. UJJWALA APTE	**DIRECTOR**
MR. SURESH CHOUDHARY	**DIRECTOR**

IN ATTENDANCE

MR. S N SHETTY	**PRESIDENT – LEGAL & ADMN**
MR. PRAVIN PRAJAPATI	**GM - FINANCE**

Mrs. Ujjwala Apte, Company Secretary said that in the absence of Chairman, Mr. Bhagirath Arya, she requested the shareholders to elect the Chairman of the meeting.

Mr. Praful Dharia of the Company being a shareholder, proposed Mr. Sanjay Thapliyal, as Chairman of the meeting. Mrs. Shobhna Mehta seconded the proposal and Mr. Sanjay Thapliyal was elected as the Chairman of the meeting.

Mr. Thapliyal occupied the Chair.

Required quorum was present, Chairman called the meeting to order.

The Company has received 5 Proxy representing 38,06,028 equity shares. Proxy Register is open for members for inspection.

He introduced colleagues on the Board.

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

He explained that Notice dated 31st July, 2019, convening the 37th Annual General Meeting, Directors' Report and the Annual Accounts had been despatched to all shareholders and with the consent of the Members present, will be taken as read.

JBF INDUSTRIES LIMITED

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The Auditors' report on the financials of the Company for the year ended March 31, 2018 being qualified was read at the meeting in terms of section of 145 of the Companies Act, 2013

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

A. Performance for the year ended 31st March, 2019

The highlights of the performance of the Company for F.Y. 2018-19are as under:

The Company's revenue for F.Y. 2018-19 was 2958.27 Crore as against 3,573.86 Crore for the previous year, due to adverse market conditions and reduction in margins. During the year, the Production of Polyester Chips came down to 282,432 MT, and Production of POY & yarn was 244,912 MT.

B. Current Year Performance

The capacity utilisation was increase to 56% in Q1 of FY 2019-20 as compare to 53% of Q4 of FY 2018-19.

The Company has been facing liquidity crunch and also going through the process of restructuring with the lenders for the reduction of debt exposure of the Company.

However the manufacturing activity at all three units going on satisfactorily.

C. Status of Mangalore plant through its subsidiary

Operation at PTA project at Mangalore, are not yet commenced due to requirement of funds. The Company has been facing problem in servicing of its borrowings towards principle and interest. For that the Company is taking efforts to find out the investor to invest in project.

The Company has been exploring various alternatives for financing of funds required to complete the project and start the production.

The project, when operational, would have major advantages in terms of procurement of raw-material i.e. Paraxylene, from nearby sources as well and also have advantages of taxation benefits.

Then he proposed Item No 1 of the agenda to adopt Director's Report and Audited Statement of Accounts for the year ended 31st March, 2019.

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.



Few shareholders took part in the session of questions and answers.

Mr. Dharia wanted to know when the Company would come out of all the problems and also about the subsidiaries.

He also wanted to know the rent of Corporate office in Mumbai.

Mr. Pravin Prajapati GM-Finance gave all answers to the satisfaction of Mr. Dharia.

Shareholders wanted to know the details of other income.

Ms. Shobhna Mehta praised the Company Secretary for change in the venue of meeting for cost cutting.

She wanted to know number of employees and number of shareholders etc.

Company representative gave the details of number of employees as well as number of shareholders.

Some of the shareholders expressed their support to the company in the difficult time.

New Voting Procedure

Then he explained the New Voting procedure to shareholders and informed that e-voting facility, which commenced on 17th September, 2019 at 9.00 a.m. and ended on 19th September, 2019 at 5.00 p.m. CS Mr. Ronak Kalathiya of M/s. Jagdish Patel & Co., Practicing Company Secretaries, Vapi has been appointed as the Scrutinizer by the Board for conducting the e-voting process.

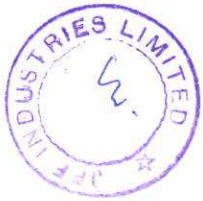
Members, who exercised remote evoting, were not allowed to vote on a poll being exercised at meeting as their votes would not be considered as valid.

Voting by show of hands was not allowed as per regulatory provisions.

Hence, he ordered Poll to be taken on all the resolutions to be passed at the meeting and declared that the combined results of e-voting and Poll would be posted on the Company's website and NSDL and also notified to the stock exchanges within Forty Eight hours from the conclusion of the AGM.

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

Then he requested shareholders to cast vote at the end of the Meeting on the Ballot Paper distributed to the shareholders.



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

"**RESOLVED THAT** the Profit and Loss Account for the year ended on 31st March, 2019 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. Bhagirath C Arya (DIN: 00228665)

The resolution for the re-appointment of Mr. Bhagirath C Arya, was proposed by Ms. Shobhna Mehta, which was seconded by Mr. Manoj Bhageria and was put to vote as follows.

"RESOLVED THAT Mr. Bhagirath C Arya, 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 : Appointment & Remuneration of Mr. Sanjay Thapliyal (DIN: 08294006)

The resolution for the appointment & remuneration of Mr. Sanjay Thapliyal, was proposed by Mr. Tushar Soda, which was seconded by Mr. Alpesh and was put to vote as follows.

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the being in force) Mr. Sanjay Thapliyal (DIN: 08294006) who was appointed as an Additional Director on 14th November, 2018, pursuant to the provision of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company received a notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of the Director, be and is hereby appointed as Whole Time Director designated as Director-Operations of the Company, to hold office for 3 (Three) years from 20th September, 2019, and liable to retire by rotation.

And

FURTHER RESOLVED THAT pursuant to the provisions of Section 196 & 197, read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the being in force) and as recommended by the Nomination and Remuneration Committee and by the Board of Directors in their meeting held on 14th November, 2018, Mr. Sanjay Thapliyal (DIN : 08294006) be paid a monthly salary at the rate of Rs.5,00,000 [Rupees Five Lac Only] with effect from 14th November, 2018, payable on the last working day of each calendar month subject to deduction of all the taxes which the Company is required to deduct."



And that in addition to the above monthly salary he will be entitled for

1. Monthly House Rent Allowance upto Rs.3,00,000 [Rupees Three Lacs Only] per month ;
2. Reimbursement of entertainment expenses upto a maximum of Rs.1,53,250 [Rupees One Lac Fifty Three Thousand Two Hundred Fifty Only] per month ;
3. Reimbursement of books and periodicals expenses equivalent to .Rs.25,000 [Rupees Twenty Five Thousand Only] per month ;
4. Reimbursement of education expenses equivalent to Rs.25,000 [Rupees Twenty Five Thousand Only] per month ;
5. Leave Travel Allowance equivalent to Rs.5,00,000 [Rupees Five Lacs Only] per year ; and Ex-gratia of Rs. 4,99,800 (Rupees Four Lac Ninety Nine Thousand Eight Hundred only) per year.
6. Reimbursement of medical expenses incurred for himself, wife and dependent children subject to a maximum of Rs.1,250 [Rupees One Thousand Two Hundred Fifty Only] per month
7. Reimbursement of Telephone expenses upto a maximum of Rs.3,000 [Rupees Three Thousand Only] per month ;
8. The use of the Company car with chauffeur and actual expenses for upkeep of a car;
9. Gratuity not exceeding half months' salary for each completed year of service as per Gratuity Act;
10. Participation in the Provident Fund and any other schemes provided by the Company for the benefit of its Senior Executives ;
11. 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. Sanjay Thapliyal, (DIN 08294006), Director-Operations, 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 20% 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. Sanjay Thapliyal, Director-Operations, be suitably amended to give effect to those amendments."

Item No 4 : Appointment of Mr. Suresh Choudhary (DIN: 03219422)

The resolution for the appointment & remuneration of Mr. Suresh Choudhary, was proposed by Mr. Bhagwat, which was seconded by Mr. Bodiwala and was put to vote as follows.

"**RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the being in force) Mr. Suresh Choudhary (DIN:



03219422), who was appointed as an Additional Independent Director on 30th July, 2019, pursuant to the provision of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company received a notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company, to hold office for 5 (Five) years from 20th September, 2019 to 19th September, 2024 and not liable to retire by rotation.

Item No 5 : Remuneration of Mr. Bhagirath C Arya (DIN: 00228665)

The resolution for the appointment & remuneration of Mr. Bhagirath C Arya, was proposed by Mr. Himesh Trivedi, which was seconded by Mr. Bhagwat and was put to vote as follows.

"RESOVLED THAT in accordance with applicable provisions of Section 196 & 197 of the Companies Act, 2013, read with Schedule V, and as recommended by the Nomination and Remuneration Committee and by the Board of Directors in their meeting, Mr. Bhagirath C. Arya (DIN : 00228665) who holds office as Executive Chairman of the Company be paid a monthly salary at the rate of Rs.37,48,761 [Rupees Thirty Seven Lac Forty Eight Thousand Seven Hundred Sixty One Only] with effect from 1st April, 2019, payable on the last working day of each calendar month Monthly House Rent Allowance at the rate of 10% of the Basic Salary in case no accommodation is provided by the Company subject to deduction of all the taxes which the Company is required to deduct."

And that he will be entitled for

1. He will be entitled for reimbursement of Medical Expenses, incurred for himself, wife and dependant children ;
2. He will be entitled to claim expenses on account of Expenditure for Gas, Electricity, Water and Furnishings which shall be valued as per Income Tax Rules;
3. He will be entitled to subscribe for the membership of any two clubs;
4. He will be entitled to participate in the Provident Fund 12% of Basic, Superannuation, Group Insurance, Retirement and any other schemes provided by the Company for the benefit of its Senior Executives ;
5. He will be entitled for Gratuity not exceeding half months' salary for each completed year of service as per Gratuity Act ;
6. He will be entitled for Leave Travel Allowance for himself, wife and dependant children within India and Abroad upto one month Salary;
7. He will be provided Company Car with chauffeur and expenses for upkeep of a car for company business will be borne by the Company ;
8. The Expenses of Telephone/Fax installed at the residence of the Chairman and used for business purposes will be borne by the Company ;
9. He will be entitled to such leave as the exigencies of the business shall permit and as may be mutually agreed. It however, expressly provided that the Executive Chairman shall be entitled to one month's leave for every 11 months of service. 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;



10. The commission not exceeding 1% of the Net Profits of the Company shall be paid to Mr Bhagirath C Arya, annually subject to a ceiling of 100% of the annual salary;

The remuneration payable as aforesaid shall be paid to Mr. Bhagirath C Arya as minimum remuneration in accordance with the applicable provisions of the Companies Act, 2013 in the case of absence or inadequacy of profits in any financial year during the term and the Board of Directors be and are hereby authorised to vary or increase, augment, reduce or enhance the scope of the remuneration and perquisites including the monetary value, thereof as referred to hereinabove to the extent upto Rs.7 (Seven) Crores per year of the gross amount of remuneration excluding the amount of commission payable to him, however, the same may be enhanced, augmented, altered, or varies 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. Bhagirath C Arya, suitably amended to give effect to those amendments and who holds office as Executive Chairman by making his office liable to retire by rotation and continue holding office upto 31st March, 2020.

Item No 6: Approve the Remuneration of Cost Auditors

"**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, 2019, 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."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred to Chairman or to Managing Director or any Committee of Directors or any other officer of the Company to give effect to the aforesaid resolution."

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

The he requested 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.

JBF INDUSTRIES LIMITED

Acknowledgements

On behalf of the entire Board of Management, the Chairman 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 has now been able to achieve a dominant position in the industry. We continue to rely upon them for future success as well.

I and my colleagues on the Board of Management thank all Banks and Financial Institutions and other stakeholders for their trust in JBF. We look forward to their continued support in future as well.

I also take this opportunity to thank our eminent Directors for their valuable guidance from time to time. Their continued support and advice has been of great benefit to our organization. My sincere thanks to them.

CHAIRMAN

Place : Silvassa
Date : 20th September, 2019

JBF INDUSTRIES LIMITED