JBF Industries Limited

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MINUTES OF THIRTY EIGHTH (38TH) ANNUAL GENERAL MEETING OF THE MEMBERS OF JBF INDUSTRIES LIMITED WILL BE HELD ON WEDNESDAY 30TH DECEMBER, 2020 AT 11.30 A.M. (IST) VIA TWO-WAY VIDEO CONFERENCING ('VC') FACILITY OR OTHER AUDIO VISUAL MEANS ('OAVM')

PRESENT

MRS. UJJWALA APTE	**DIRECTOR (VIDEO CONFERENCE)**
MR. S N SHETTY	**DIRECTOR (VIDEO CONFERENCE)**
MR. SURESH CHOUDHARY	**DIRECTOR (VIEDO CONFERENCE)**

IN ATTENDANCE

MR. PRAVIN PRAJAPATI	**GM – FINANCE (VIEDO CONFERENCE)**
MR. GUNENDRA PUTHRAN	**SECRETARIAL OFFICER (VIDEO CONFERENCE)**
MR. ANAND GADEKAR	**SECRETARIAL ASST. (VIDEO CONFERENCE)**

Required quorum for the Annual General Meeting is present. In the absence of Chairman Mr, Bhagirath Arya, I request the shareholders to elect the Chairman of the meeting.

Mr. Anand Gadekar of the Company being a shareholder, proposed Mrs. Ujjwala Apte, as Chairman of the meeting and Mrs. Ujjwala Apte was elected as the Chairman of the meeting. Chairman called the meeting to order.

She introduced colleagues on the Board.

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

She explained that Notice dated 11th November, 2020, convening the 38th 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.

Since the report is qualified I will read qualifications part with the permission of the shareholders.

Then she requested Mr. Pravin Prajapati, GM Finance to comment on the performance of the Company.

Performance for the year ended 31st March, 2020

The highlights of the performance of the Company for F.Y. 2019-20 are as under:

The Company's revenue for F.Y. 2019-20 was Rs. 2812.90 crores as against Rs.2958.27 crores for the previous year, due to reduction in price per unit.

During the year, the production of Polyester Chips has been increased to 348,943 MT as compared to 282,432 MT production of the previous year, and POY & Yarn was also increased to 248,437 MT as compare to 244,912 MT production of previous year.

Current Year Performance and IMPACT OF COVID 19

The outbreak of COVID-19 virus has caused significant disruption of business including our Company. Initially, the Company had to shut down its manufacturing facilities located at Silvassa (Athola & Saily) & Gujrat (Sarigam). The Corporate Office in Mumbai has also been shut down following nationwide lock down by the Government of India in the last week of March 2020. This to some extent impacted financial statement for the year ended 31st March 2020. Production and supply started in a phased and gradual manner during April to June, 2020 in a staggered manner after obtaining the necessary permissions from the appropriate government authorities. As per the prescribed guidelines of Government, our corporate office has also re-opened by allowing minimum staff to work from office premises and rests are still continuing to work from home. However, the management will continue to closely monitor the evolving situation and assess its impact on the operations of the Company. The actual effects of COVID-19 could be different from what is presently assessed and would be known only in due course of time

In the current year 2020-21, quarter 1 has been measuredly impacted out of COVID – 19, However in quarter 2 the manufacturing activities at all three units going on satisfactorily.

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

There are some shareholders registered their names as speakers.

She requested them to ask questions and speak for not more than 5 minutes.

Once all the questions are over, we will give information and explanations.

The remote e-voting commenced on 27th December, 2020 at 9.00 a.m and ended on 29th December, 2020 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.

The Shareholders who had not voted by e-voting were advised to vote by e-voting that was kept open for 15 minutes after the closure of the meeting.

Item No 1 : Ordinary Resolution

Adoption of Financial Statements of the Company for the financial year ended on 31st March, 2020 and the Reports of the Board of Directors and Auditors thereon)

"RESOLVED THAT the Financial Statements of the Company as at 31st March, 2020, together with the Reports of Directors and Auditors thereon, be and are hereby approved and adopted."

The resolution was approved by the shareholders with 99.9990% in favour and 0.0010% in against the resolution.

Item No 2 : Ordinary Resolution

Re-Appointment of Mr. Bhagirath C Arya (DIN: 00228665)

"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."

The resolution was approved by the shareholders with 61.0593% in favour and 38.9407% in against the resolution.

Item No 3 : Ordinary Resolution

Declaration of dividend on Preference Shares to be carried forward to the next for payment

"RESOLVED THAT Dividend to be paid on Preference Shares to be carried forward to the next year for payment ."

The resolution was approved by the shareholders with 99.9986% in favour and 0.0014% in against the resolution.

Item No 4 : Ordinary Resolution

Appointment of M/s. S C Ajmera & Co. Chartered Accountants (FRN: 002908C) as the Statutory Auditors and fix their remuneration

"RESOLVED THAT pursuant to the provisions of section 139 of the Companies Act, 2013 and Rules made there under, M/s. S C Ajmera& Co. Chartered Accountants, (Registration No.002908C) the Chartered Accountants, Mumbai, be and is hereby appointed as the Auditors of the Company in place of M/s. Pathak H D Associates, whose term is expiring on conclusion of Annual General Meeting, to hold office until the conclusion of the Forty First Annual General Meeting of the Company (subject to ratification of the appointment by the members at every Annual General Meeting) at a remuneration as may be decided by the Board of Directors."

The resolution was approved by the shareholders with 99.9987% in favour and 0.0013% in against the resolution.

Item No 5 : Special Resolution

Re-appointment of Mr. Bhagirath C Arya (DIN : 00228665) Whole Time Director, designated as Executive Chairman of the Company

"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 Whole time Director designated as Executive Chairman of the Company till 30th September, 2020, be and is hereby re-appointed as Executive Chairman of the Company for further period of three years w.e.f. 1st October, 2020 to 30th September, 2023 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] p. m 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

1. he will be entitled for reimbursement of Medical Expenses, incurred for himself, wife and dependantchildren ;
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 ;
6. he will be entitled for Leave Travel Allowance for himself, wife and dependant children within India and Abroad uptoone 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 30th September, 2023.

The resolution was not approved by the shareholders with 59.7669% in favour and 40.2331% in against the resolution.

Item No 6 : Ordinary Resolution

Consider and regularization of the appointment and to approve the remuneration payable to Mr. S N Shetty (DIN : 07962778) as Director of the Company

"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. S N Shetty (Din : 07962778) who was appointed as an Additional Director on 18th November, 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 Director-Legal & Admn of the Company, to hold office from 18th November, 2019 to 17th November, 2022, and who will be liable to retire by rotation.

And

"RESOLVED FURTHER 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 18th November, 2019, Mr. S N Shetty (Din : 07962778) be paid a monthly salary at the rate of Rs. 3,57,122 [Rupees Three Lacs Fifty Seven Thousand One Hundred Twenty Two Only] p.m. with effect from 18th November, 2019, 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. Reimbursement of education expenses equivalent to Rs.7,616 [Rupees Seven Thousand Six Hundred Sixteen Only] per month ;
2. Reimbursement of conveyance expenses equivalent to Rs.7,616 [Rupees Seven Thousand Six Hundred Sixteen Only] per month ;
3. 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.
4. Reimbursement of Telephone expenses upto a maximum of Rs.7,615 [Rupees Seven Thousand Six Hundred Fifteen Only] per month ;
5. He will be entitled for Special Allowance of Rs.6,760 [Rupees Six Thousand Seven Hundred Sixty Only] per month ;
6. Participation in the Provident Fund and any other schemes provided by the Company for the benefit of its Senior Executives;

7. 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. S N Shetty (Din : 07962778), Director Legal &Admn, 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 25% 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. S N Shetty, Director Legal & Admn, be suitably amended to give effect to those amendments."

RESOLVED FURTHER THAT notwithstanding anything contained herein above, in any financial year, the remuneration payable to the appointee shall be within the limits stated in sub Section II (A) of the Part II of the Schedule V to the Companies Act, 2013, as may be amended from time to time."

The resolution was approved by the shareholders with 99.9403% in favour and 0.0597% in against the resolution.

Item No 7 : Ordinary Resolution

Consider and regularization of the appointment and to approve the remuneration payable to Mrs. Ujjwala Apte (DIN: 03219422) Director of the Company

"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) Mrs. UjjwalaApte (Din : 00403378) who was appointed as an Additional Director on 18th November, 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 her candidature for the office of the Director, be and is hereby appointed as as Director-Company Secretary of the Company, to hold office upto 17th November, 2022, and who will be liable to retire by rotation.

And

RESOLVED THAT Mrs. Ujjwala Apte (Din : 00403378) be paid a monthly salary at the rate of Rs.3,23,215 [Rupees Three Lacs Twenty Three Thousand Two Hundred Fifteen Only] p.m with effect from 18th November, 2019, 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 she will be entitled for

1. Reimbursement of entertainment expenses equivalent to Rs.4912 [Rupees Four Thousand Nine Hundred Twelve Only] per month ;
2. Reimbursement of medical expenses incurred for herself, husband and dependent children subject to a maximum of Rs.1,250 [Rupees One Thousand Two Hundred Fifty Only] per month.
3. Reimbursement of Motor car expenses upto a maximum of Rs.23,703 [Rupees Twenty Three Thousand Seven Hundred Three Only] per month ;
4. She will be entitled for Special Allowance of Rs.20,286 [Rupees Twenty Thousand Two Hundred Eighty Six Only] per month ;
5. Entitlement of Bonus payment of Rs. 26,935 [Rupees Twenty Six Thousand Nine Hundred Thirty Five only] per month ;
6. She will be entitled for Leave Travel Allowance upto Rs.26,935 [Rupees Twenty Six Thousand Nine Hundred Thirty Five only] per month ;
7. Gratuity not exceeding half months' salary for each completed year of service ;
8. Participation in the Provident Fund and any other schemes provided by the Company for the benefit of its Senior Executives;
9. She 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 Mrs. Ujjwala Apte (Din : 00403378), Director & Company Secretary, as minimum remuneration in accordance with in the case of absence or inadequacy of profits in any financial year during the term of her 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 25% 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 Mrs. UjjwalaApte, Director-Company Secretary, be suitably amended to give effect to those amendments."

The resolution was approved by the shareholders with 99.9403% in favour and 0.0597% in against the resolution.

Item No 8 : Ordinary Resolution

Approval of the remuneration of the Cost Auditors for the financial year ending 31st March, 2021.

"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),

Mr.Vijay Bhavchandbhai Patel 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, 2021, 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."

The resolution was approved by the shareholders with 99.9990% in favour and 0.0010% in against the resolution.

Item No 9 : Ordinary Resolution

To approve related party transactions (not covered u/s 188 of the Companies Act, 2013).

"RESOLVED THAT pursuant to the provisions of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014 and in accordance with the applicable laws and of the Company and / or by a duly authorised committee thereof for the time being exercising powers conferred by the Board of Directors (hereinafter referred to as 'Board') the consent of the Company be and is hereby accorded to carry out transactions, with foreign / Indian subsidiary companies/ firms and or foreign / Indian related party, upto 25% of the turnover of the Company and in the ordinary course of business at arm's length relationship basis and at market related prices.

FURTHER RESOLVED THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all documents or writings on behalf of the Company as may necessary, proper or expedient for the purpose of giving effect to this resolution and for the matters connected therewith or incidental there to."

The resolution was approved by the shareholders with 97.8235% in favour and 2.1765% in against the resolution.

ACKNOWLEDGEMENTS

On behalf of the entire Board of Management, I would like to express my 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 stake holders 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 PERSON

Place : Silvassa

Date : 30th December, 2020.

