JBF Industries Limited

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MINUTES OF THE THIRTYSIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF JBF INDUSTRIES LIMITED HELD ON FRIDAY, 3RD AUGUST, 2018, AT DAMAN GANGA VALLEY RESORT, SILVASSA, AT 11.30 A.M.

PRESENT

MR. RAKESH GOTHI	**CEO & MANAGING DIRECTOR**
MR. N. K. SHAH	**DIRECTOR – COMMERCIAL**
MR. SHARADCHANDRA THAKAR	**DIRECTOR**

IN ATTENDANCE

MR. ARUN SHAH	**CFO**
MR. DHARMENDRA AGARWAL	**H D PATHAK & ASSOCIATES STATUTORY AUDIOTRS**

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

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

Mr. Gothi occupied the Chair.

Chairman called the meeting to order.

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

He introduced colleagues on the Board.

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

Notice dated 20th June, 2018, convening the 36th Annual General Meeting, Directors' Report and the Annual Accounts had been despatched to all shareholders and with the consent of the Members present the same were taken as read.

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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, 2018

The highlights of the performance of the Company for F.Y. 2017-18 are as under:

The Company's revenue for F.Y. 2017-18 was Rs.3,573.86 Crore as against Rs.4,271.45 Crore for the previous year, due to adverse market conditions and reduction in margins and also due to transitory adverse effect of rolling out the Goods and Service Tax (GST). During the year, the Production of Polyester Chips came down to 413,281 MT, and Production of POY & yarn was 292,823 MT.

As you all know GST has been introduced from July, 2017. While Company expresses view that it will be beneficial for the industry in long run, there were some short term teething issues of our textile industry affected performance of our Company in the current period. It was expected that short term issues would be ironed out and the normalcy would be restored over a period of time.

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. Hence, your Directors have not recommended dividend on equity shares of the Company for the year 2017-18. However, the dividend on the preference shares will be carried forward for payment in the next financial year.

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

The Company's business and the liability undertaken has resulted into a mismatch of cash flow. Under the circumstances, the company has requested the lenders to reschedule the repayment programme. The company believed that the resolution plan submitted is in line with the guideline given by Reserve Bank of India and the practices followed by Industry and lenders under the given circumstances.

B. Status of Mangalore plant through its subsidiary

At present, uncertainty is faced in respect of PTA project at Mangalore, being executed by JBF Petrochemicals Limited. The project, when operational, would lead to self sufficiency in meeting company's requirement for major raw-material i.e. PTA, both in India as well as for its plant in UAE.

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

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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 as a result of being placed in SEZ. This plant was set up using technology provided by BP known to be world's best and is of the world scale size to produce 1.25 Million Tons PTA.

Then Mr. Gothi proposed Item No 1 of the agenda to adopt Director's Report and Audited Statement of Accounts for the year ended 31st March, 2018.

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.

Following mentioned shareholders expressed their views about the Company.

1. Mr.Bhattiwala

He suggested following;

a) In balance sheet 10 years highlights of performance be given.
b) Contact no. of the share department be given in th balance sheet.
c) Photographs of subsidiary companies be given in balance sheet for shareholders' information.

He further showed his concern about the low price of shares in the market, and not declaring the dividend.

2.Mrs. Shobhna Mehta

Mrs. Mehta wanted to know the reason of resignation of Directors from the Board.
She also wanted to know about the Companies total investment in UAE and the workers employed.

She showed her concern for the losses suffered by the Company. However she was confident about the working of the Company.

3. Mr. Prakash

Mr. Prakash wanted to know the details of happening at Mangalore and NCLT cases filed by the suppliers.

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4. Mr. Praful Dharia

Mr. Praful Dharia suggested that the Company should support the share prices in the market but Chairman of the meeting told him that the Company does not in favour of doing so as the share price is market driven.

5. Mr. Mukesh

Mr. Mukesh wanted to know details of Inter Corporate Deposits and about Company's default in payment of Interest & Principle amount, if any.

Mr. Rakesh Gothi, Chairman of the meeting and Mr. Arun Shah, CFO of the Company replied to all the queries raised by the shareholders.

Mr. Gothi informed that till last year the Company has been paying dividend. He assured that the requested information and photograph would be included in the Balance Sheet.

The restructuring process has been going on and would be completed in due course.

He informed the shareholders about the cost of Mangalore project and the work force working there.

He further added that the Mangalore plant was delayed because of delay in receiving part of plant and equipment delays, faulty equipment etc.

Then he explained the New Voting procedure to shareholders and informed that e-voting facility, which commenced on 31st July, 2018 at 9.00 a.m. and ended on 2nd August, 2018 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 he requested shareholders to cast vote at the end of the Meeting on the Ballot Paper distributed to the shareholders.

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

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

"**RESOLVED THAT** the Profit and Loss Account for the year ended on 31st March, 2018 and the Balance Sheet as on that date along with the Directors and Auditors Report thereon be and are hereby approved and adopted."

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

The resolution for the re-appointment of Mr. N K Shah, was proposed by Ms. Shobhna Mehta, which was seconded by Mr. Rajendra Joshi and was put to vote as follows.

"RESOLVED THAT Mr. N K Shah, 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 : Ratification of appointment of Auditors

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

"RESOLVED THAT pursuant to the provisions of section 139 of the Companies Act, 2013 and Rules made there under, re-appointment of M/s. Pathak H D & Associates, Chartered Accountants, (Registration No. 107783W) the Chartered Accountants, Mumbai, be and are hereby ratified and they be re-appointed as Statutory Auditors of the Company to hold office until the conclusion of the Thirty Seventh Annual General Meeting of the Company (subject to ratification of the appointment by the members at every Annual General Meeting) at a remuneration as may be decided by the Board of Directors."

Item No 4 : Appointment of Mrs. Sangita V Chudiwala (DIN: 01039360) as an Non-Executive Independent Director

Mr. Rajesh Chernani proposed the resolution for Appointment of Mrs. Sangita V Chudiwala (DIN: 01039360) as Non-Executive Independent Director. This resolution was seconded by Ms. Shobhna Mehta 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) Mrs. Sangita V Chudiwala (DIN: 01039360), who was appointed as an Additional Independent Director on 29th November, 2017, pursuant to the provision of Section 161(1) of the Companies Act, 2013

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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 an Non-Executive Independent Director of the Company, to hold office for 5 (Five) consecutive years and not liable to retire by rotation.

Item No 5 : Appointment of Mr. Sharadchandra Thakar (DIN: 01039360) as an Non-Executive Independent Director

Ms.Alpha proposed the resolution for Appointment of Mr. Sharadchandra Thakar (DIN: 02551653) as Non-Executive Independent Director. This resolution was seconded by Mr. Praful Dharia 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. Sharadchandra Thakar (DIN: **02551653**), who was appointed as an Additional Independent Director on 13th April, 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 an Non-Executive Independent Director of the Company, to hold office for 5 (Five) consecutive years and not liable to retire by rotation.

Item No 6 : Appointment of Mr. Ravi A Dalmia (DIN: 00634870) as an Non-Executive Independent Director

Mr. Jehangir proposed the resolution for Appointment of Mr. Ravi A Dalmia (DIN: 00634870) as Non-Executive Independent Director. This resolution was seconded by Mr. Rajendra Joshi 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. Ravi Dalmia (DIN: 00634870), who was appointed as an Additional Independent Director on 4th June, 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 an Non-Executive Independent Director of the Company, to hold office for 5 (Five) consecutive years and not liable to retire by rotation.



Item No 7 : Increase in Borrowing Power upto Rs. 6000/- crores

Mr. Rajesh Chernani proposed the resolution for increase in borrowing power upto Rs.6000/-. This resolution was seconded by Mr. Rajendra Joshi and was put to vote as follows.

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 and any other applicable provisions thereof and the Articles of Association of the Company, consent of the members be and is hereby accorded to the Board of Directors of the Company to borrow moneys by way of loans, debentures, or otherwise from time to time for the purpose of the business of the Company upon such terms and conditions and with or without mortgaging or charging undertakings, assets and properties, whether movable or immovable, stock-in-trade, work-in-process, debtors or any part thereof of the Company as security, as the Board of Directors may in its absolute discretion deem fit even if the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the bankers of the Company in the ordinary course of business) may exceed the aggregate of the paid up capital and free reserves (i.e. reserves not set apart for any specific purpose) of the Company provided however that the total amount up to which moneys may be borrowed by the Company shall not exceed Rs.6000 crores (Rupees Six Thousand Crores only) over and above the aggregate of the paid up capital and free reserves of the Company and shall exclude all temporary loans obtained by the Company from its bankers in the ordinary course of its business."

Item No 8 : Re-appointment and Increase in Remuneration of Mr. N K Shah

Mr. Pravin Sampat proposed the resolution for re-appointment & increase in remuneration of Mr. N . K. Shah. This resolution was seconded by Mr. Jehangir and was put to vote as follows.

"RESOVLED THAT in accordance with section 196,197(3) & 198 and other applicable provisions of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013, and as recommended by the Nomination and Remuneration committee and by the Board of Directors in their meeting held on 7th February, 2018, Mr. N K Shah (DIN : 00232130) who holds office as Whole time Director designated as Director-Commercial of the Company till 31st August, 2018, be and is hereby re-appointed as Director-Commercial of the Company for further period of Three years w.e.f. 1st September, 2018, and that, Mr. N K Shah, Director-Commercial, be paid a monthly salary at the rate of Rs. 8,20,000 [Rupees Eight Lacs Twenty Thousand Only]with effect from 1st April, 2017, 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 at the rate of 20% of the basic Salary ;
2. Reimbursement of entertainment expenses upto a maximum of Rs.17,000 [Rupees Seventeen Thousand Only] per month ;
3. Reimbursement of books and periodicals expenses equivalent to Rs.17,000 [Rupees Seventeen Thousand Only] per month ;

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4. Reimbursement of education expenses equivalent to Rs.10,200 [Rupees Ten Thousand and Two Hundred Only] per month ;

5. Leave Travel Allowance equivalent to Rs.8,20,000 [Rupees Eight Lacs Twenty Thousand Only] per year ;

6. Reimbursement of medical expenses incurred for himself, wife and dependent children subject to a maximum of Rs.8,20,000 [Rupees Eight Lacs Twenty Thousand Eight Only] per year ;

7. Reimbursement of the Expenses of Telephone / Fax installed at his residence used for business purposes shall be borne by the Company ;

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. N K Shah, (DIN 00232130), Director-Commercial, as minimum remuneration in accordance with in the case of absence or inadequacy of profits in any financial year during the term of his office and that the Board of Directors be and is hereby authorised to vary or increase, or enhance the scope of the remuneration and perquisites including the monetary value thereof, as referred to hereinabove to the extent of Rs.2 (Two) crores of the Gross amount of remuneration but the same may be enhanced, altered, or varied in accordance with any guidelines regarding payment of managerial remuneration under the Companies Act, 2013, from time to time in force and that the agreement between the Company and Mr. N K Shah, Director-Commercial, be suitably amended to give effect to those amendments."

Item No 9 : Waiver for Recovery of Excess Remuneration of Mr. Bhagirath C Arya

Mr. Praful Sampat proposed the resolution for waiver of excess remuneration paid to Mr. Bhagirath Arya. This resolution was seconded by Mr. Rajendra Joshi and was put to vote as follows.

RESOLVED THAT pursuant to Section 197(10) and other applicable provisions if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modifications) or re-enactment thereof for the time being in force) and subject to approval of the Central Government, consent of the members of the Company be and is hereby accorded for waiver of recovery of excess remuneration paid/payable to Mr. Bhagirath C Arya, Executive Chairman of the Company, over and above the limits prescribed under Section 197(10) read with Schedule V of the Companies Act, 2013 for the financial years 2016-17, 2017-18, 2018-19.

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

This resolution was not passed due to insufficient voting for Special Resolution.

Item No 10 : Approve the remuneration of the Cost Auditors

Mr. Bhattiwala proposed the resolution for the Remuneration of Cost Auditor. This resolution was seconded by Mr. Jehangir and was put to vote as follows.

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

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

Item No 11 : To consider fund raising up to Rs. 600/- crores

Mr. Jignesh Sampat proposed the resolution for consider fund raising upto Rs.600 crores. This resolution was seconded by Mr. Rajendra Joshi and was put to vote as follows.

"RESOLVED THAT pursuant to the provisions of Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (the "Companies Act")and rules made thereunder, to the extent notified and in effect, and applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to the provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements Regulations 2009) ("ICDR Regulations") as in force and subject to all other applicable rules, regulations and guidelines of the Securities and Exchange Board of India ("SEBI"), the applicable provisions of Foreign Exchange Management Act, 2000 (''FEMA''), Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, and enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Regulations, and subject to requisite approvals, consents, permissions and / or sanctions of SEBI, the Stock Exchanges, Reserve Bank of India ("RBI"), Department of Industrial Policy and Promotion, Ministry of Commerce ("DIPP"), the Foreign Investment

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Promotion Board ("FIPB"), and all other authorities as may be required (hereinafter collectively referred to as "Appropriate Authorities"), and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and for sanction (hereinafter referred to as "Requisite Approvals"), which may be agreed to by the Board of Directors of the Company or any Committee of Directors constituted/ to be constituted (hereinafter referred to as the "Board") subject to the approval of the shareholders in general meeting, be and is hereby authorised to offer, issue and allot, such number of Equity Shares/ Foreign Currency Convertible Bonds (FCCBs) and/or any such security convertible or non-convertible in to equity shares of Rs.10 each or any combination of the financial instruments and/or Debentures whether convertible or non-convertible to Indian Investors or Foreign Investors (whether Institutions, incorporated bodies, mutual funds and/or individuals, or otherwise and whether or not such investors are members of the Company) aggregating not more than Rs.600 crores, in one or more tranches at such time or times, at such price or prices based on the prescribed pricing guidelines in operation at that time, at a discount or at such terms and conditions including security, rate of interest etc, as may be decided and deemed appropriate by the Board at the time of such issue or allotment considering the prevailing market conditions and other relevant factors."

"**RESOLVED FURTHER THAT** Board be and is hereby authorised to offer, issue and allot such number of equity shares or any such securities as may be required to be issued and allotted directly or upon conversion of any securities referred in the aforesaid resolutions or as may be necessary in accordance with the terms of offering, all such shares being pari passu with the then existing equity shares of the Company in all respect, except such rights as to dividend as may be provided under the terms of issue of the securities and in the offer documents."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds matters and things and to execute such acts, deeds matters and things and to execute such agreements, documents or writings as may be necessary for the purpose of giving effects to the above resolution and for matter connected therewith or incidental thereto."

"**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.

Then 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, he declared the meeting as over.



Acknowledgements

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

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

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

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

R. Lohia

CHAIRMAN

Place : Silvassa
Date : 3rd August, 2018

