JBF Industries Limited

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MINUTES OF THE THIRTYTHIRD ANNUAL GENERAL MEETING OF THE MEMBERS OF JBF INDUSTRIES LIMITED HELD ON FRIDAY, 25TH SEPTEMBER, 2015, AT DAMAN GANGA VALLEY RESORT, SILVASSA, AT 11.30 A.M.

PRESENT

MR. RAKESH GOTHI	CEO & MANAGING DIRECTOR
MR. P. N. THAKORE	CHIEF FINANCIAL OFFICER
MR. N. K. SHAH	DIRECTOR – COMMERCIAL
MR. B. R. GUPTA	DIRECTOR
MR. B. M. BANSAL	DIRECTOR
MR. KIRAN VAIDYA	PRESIDENT – FINANCE BY INVITATION
MR. RAJENDRA KORIA	REPRESENTING - CHATURVEDI & SHAH STATUTORY AUDITORS

CERTIFIED TRUE COPY
For JBF Industries Limited
Company Secretary

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

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

Mr. Gothi occupied the Chair.

At 11.30 a.m when necessary quorum was present, Chairman called the meeting to order.

It was declared that the Company had received Two Proxies representing 800100 equity shares. Proxy Register and other Statutory Registers were kept open for members for inspection.

He introduced colleagues on the Board.

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

Notice dated 11th August, 2015, convening the 33rd 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, 2015 being unqualified was taken as 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.

Performance for the year ended 31st March, 2015

The year ended 31st March 2015 resulted in a satisfactory performance of the company. The highlights of the performance are as under:

The gross sales of JBF India alongwith its subsidiaries., i.e. on a consolidated basis, increased to Rs.9296.27 Crores from Rs.9050.84 Crores for the previous year, implying an increase of 2.7%. EBIDTA (Before extra-ordinary items) was Rs.967.90 Crores as against Rs.752.96 Crores.

For the Indian operations alone, the gross sales of the company has come down to Rs.4543.68 Crores from Rs.5267.82 Crores for the previous year due to effect of lower prices of crude oil and corresponding petrochemical intermediate. EBIDTA (Before extra-ordinary items) was Rs.483.78 Crores against Rs.464.54 Crores for the previous year.

Current Year Performance

During the first quarter of the current year the consolidated net sales were Rs.2270.18 crores vis-à-vis Rs.2085.98 crores during the same period of last year. EBIDTA was Rs.241.91 crores against Rs.208.50 crores of previous year.

Expansion Activities

A. There is a significant progress in implementation of PTA project undertaken by the Company at Mangalore. All the major equipments have reached the site and the installation work is in process. We expect to complete the project by end of current financial year.

B. The project at Belgium for producing Pet Chips has stabilised the production. The product is well received in European Market.

C. At Bahrain, all 3 lines of Polyester film have been completed commissioning.

Chairman was pleased to inform that Company has signed a definitive agreement with KKR Jupiter Investors Pte. Ltd, whereby they would invest an amount of USD 150 Million in JBF and its subsidiaries. The necessary resolutions were approved by the shareholders in their meeting held on 1st September, 2015. As a part of the agreement, to strengthen the Corporate Governance, Company proposed to amend the Articles for which the resolution proposed by the Company been included in the notice of this Annual General Meeting.

Then Mr. Rakesh Gothi, Chairman of the meeting proposed Item No 1 of the agenda to adopt Director's Report and Audited Statement of Accounts for the year ended 31st March, 2015.

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.

Mrs. Shobna Mehta, a shareholder requested to keep the Annual General Meeting in 1st week of September as in the month of September many company's hold meetings.

She also asked for 3 years capital expenditure details, for which the satisfactory reply was given.

Mr. Prakash Bopara, a shareholder suggested a factory visit for the shareholders. He was promised that the management would definitely arrange visit.

Mr. J J Sanghvi, a shareholder, an industrial photographer by profession suggested that Solar System to be introduced in factories.

Mr. Dharmesh Vakil, a shareholder, showed interest in investing in Preference Shares. It was explained that Preference Shares are not to be subscribed by the public.

Voting Procedure

Then the Chairman explained that pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company had extended e-voting facility to the shareholders of the Company in respect of business to be transacted at the Annual General Meeting. The e-voting commenced on 22nd September, 2015 at 10.00 a.m. and ends on 24th September, 2014 at 5.00 p.m. CS Jagdish Patel of M/s. Jagdish Patel & Co., Practicing Company Secretaries, Vapi was appointed as the Scrutinizer by the Board for conducting the e-voting process.

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

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

The Chairman declared that the Scrutinizer for e-voting Mr.Jagdish Patel of M/s. Jagdish Patel & Co., Practicing Company Secretaries, Vapi would also act as the Scrutinizer for the poll.

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

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Please cast your vote at the end of the Meeting on the Ballot Paper which had been distributed to the shareholders. Please note that shareholders who had exercised their vote through the e-voting process would not be eligible to vote on a poll and any such votes would not be considered for the purpose of the poll

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

Then the ordinary resolution for Item No.1 was seconded by Mr. Jogiasani, was put to vote as follows.

"**RESOLVED THAT** the Profit and Loss Account for the year ended on 31st March, 2015 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. Rakesh Gothi (DIN: 00229302)

The resolution for the re-appointment of Mr. Rakesh Gothi was proposed by Mr. Jogidasani which was seconded by Mr. Ashok Jain, was put to vote as follows.

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

Item No 3 : Declaration of Dividend on Equity Share Capital

The Chairman explained to the members that the Board of Directors had recommended dividend of Rs.2 per share in their meeting held on 27th May, 2015.

Then the resolution in respect of dividend proposed by Mr. Bhattiwala and seconded by Mr.Dharmesh Vakil, was put to vote as follows.

"**RESOLVED THAT** the Dividend of Rs. 2 per share (i.e. @ 20%) be declared on the equity Shares of the Company and the same be paid to the shareholders whose names appear on the Register of Member on the date of book closure."

Item No 4 : Ratification of appointment of Auditors

Mr. Mahapara proposed the resolution for the re-appointment of the Statutory Auditors of the Company, M/s Chaturvedi & Shah, Chartered Accountants, Mumbai. This resolution was seconded by Mr. Jogidasani, 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. Chaturvedi & Shah, Chartered Accountants, (Registration No. 101720W) 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 Fifth 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."

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Item No 5 : Re-Appointment of Mr. Bhagirath C Arya (DIN : 00228665) Whole Time Director designated as Executive Chairman and to fix his remuneration

Mrs. Shobna Mehta proposed the resolution for Re-Appointment of Mr. Bhagirath C Arya (DIN : 00228665) Whole Time Director designated as Executive Chairman and to fix his remuneration. This resolution was seconded by Mr. Bhattiwala, 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 held on 11th August, 2015, Mr. Bhagirath C Arya (DIN : 00228665) who holds office as Whole time Director designated as Executive Chairman of the Company till 30th September, 2015, be and is hereby re-appointed as Executive Chairman of the Company for further period of five years w.e.f. 1st October, 2015, and that, Mr. Bhagirath C Arya, Executive Chairman, be paid a monthly salary at the rate of Rs. 34,84,338 [Rupees Thirty Four Lac Eighty Four Thousand Three Hundred Thirty Eight Only] with effect from 1st April, 2015, payable on the last working day of each calendar month subject to deduction of all the taxes which the Company is required to deduct." Monthly House Rent Allowance at the rate of 10% of the Basic Salary in case no accommodation is provided by the Company ;

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, 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;

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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.

Item No 6 : Re-Appointment of Mr. N K Shah (DIN : 00232130) Whole Time Director designated as Director-Commercial and to fix his remuneration

Mr. Sudhir Mehta proposed the resolution for Re-Appointment of Mr. N K Shah (DIN : 00232130) Whole Time Director designated as Director - Commercial and to fix his remuneration. This resolution was seconded by Mr. Jogidasani, was put to vote as follows.

"RESOVLED THAT in accordance with section 198 & 197(3) and applicable provisions of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013, and as recommended by the Nomination and Remuneration committee and by the Board of Directors in their meeting held on 11th August, 2015, Mr. N K Shah (DIN : 00232130) who holds office as Whole time Director designated as Director-Commercial of the Company till 31st August, 2015, be and is hereby re-appointed as Director-Commercial of the Company for further period of Three years w.e.f. 1st September, 2015, and that, Mr. N K Shah, Director-Commercial, be paid a monthly salary at the rate of Rs. 2,19,700 [Rupees Two Lac Nineteen Thousand Seven Hundred Only] with effect from 1st April, 2015, 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 he will be entitled for

1. Monthly House Rent Allowance equivalent to Rs.43,940 [Rupees Forty Three Thousand Nine Hundred Forty Only] per month ;
2. Leave Travel Allowance equivalent to Rs. 2,19,700 [Rupees Two Lac Nineteen Thousand Seven Hundred Only] per year ;
3. Reimbursement of medical expenses incurred for himself, wife and dependant children subject to a maximum of Rs. 2,19,700 [Rupees Two Lac Nineteen Thousand Seven Hundred Only] annually ;
4. Reimbursement of entertainment expenses upto Rs.4,167 [Rupees Four Thousand One Hundred Sixty Seven Only] per month and Travelling expenses for business purposes at actual;
5. Reimbursement of education and books and periodicals expenses equivalent to Rs. 2,313 [Rupees Two Thousand Three Hundred Thirteen Only] and Rs. 4,191 [Rupees Four Thousand One Hundred Ninety One Only] per month respectively ;

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6. Reimbursement of Actual Telephone expenses incurred by him per month ;

7. The use of the Company car with chauffeur and expenses for upkeep of the car which will be borne by the Company ;

8. Participation in the Provident Fund and any other schemes provided by the Company for the benefit of its Senior Executives ;

9. Gratuity not exceeding half months' salary for each completed year of service as per Gratuity Act ;

10. 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, Director-Commercial 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 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, 1956, 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 7 : Modification in the terms of appointment of Mr. Sunil Diwakar (DIN : 00089266) Non Executive Independent Director

Mr. Anand Gadekar proposed the resolution for Mr. Sunil Diwakar (DIN : 00089266) Non Executive Independent Director, by making him not liable to retire by rotation while other terms and conditions of his appointment remain unchanged. This resolution was seconded by Mr. S N Shetty, was put to vote as follows.

"**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013, the approval of the Company be and is hereby accorded to modify the terms of appointment of Mr. Sunil Diwakar (DIN: 00089266) who was reappointed on 28th September, 2013, as an Independent Director, by making him as an Independent Director of the Company not liable to retire by rotation, to hold office for 5 (Five) consecutive years for a term up to 31st March, 2019, while other terms and conditions of his appointment remain unchanged.

RESOLVED FURTHER THAT the Board of Directors of the Company or Company Secretary be and are hereby also authorised to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution."

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Item No 8 : Approval of the remuneration of the Cost Auditors for the financial year ending on 31st March, 2015

Mrs. Shobna Mehta proposed the resolution for approval of the remuneration of the Cost Auditors for the financial year ending on 31st March, 2015. This resolution was seconded by Mr. jogidasani, 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 Vijakar 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, 2016, be paid remuneration of 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 9 : Adoption of new Articles of Association of the Company

Mr. Ashok Jain proposed the resolution for adoption of new Articles of Association of the Company. This resolution was seconded by Mr. Bhattiwala, was put to vote as follows.

"**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the existing Articles of Association be replaced by the new Articles of Association of the Company which is divided in two parts, Part A and Part B, and for the purpose of identification of the new Articles of Association hereinafter referred to as 'the **Restated Articles**', and that the Restated Articles be and are hereby approved and adopted as the Articles of Association of the Company."

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 10 : Approval of the increase in limit of Foreign Holding from 40% to 65% of the Share Capital

Mr. Sudhir Mehta proposed the resolution for approval of the increase in limit of Foreign Holding from 40% to 65% of the Share Capital. This resolution was seconded by Mr. Mahapara, was put to vote as follows.

"**RESOLVED THAT** in accordance with FEMA, 1999 read with FEMA (Transfer and Issue of Security by a Person Resident Outside India) Regulation, 2000 or any other applicable law and subject to the approval of the Central Government, Reserve Bank of India and other competent authorities if required and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions which may be agreed to by the Board of Directors of the Company and / or a duly authorized 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 for accepting investment by Foreign Institutional Investors including their sub-accounts (hereinafter referred to as the "FII's"), in the securities of the Company by way of purchase / placement / or acquisition of shares from the market or otherwise under the Portfolio Investment Scheme or Foreign Direct Investment Scheme under FEMA guidelines, subject to the condition that the total holding of all FII's put together shall not exceed 65% of the paid-up share capital of the company.

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary proper or expedient for the purpose of giving effect to this resolution and for the matters connected therewith or incidental thereto:"

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

Mr.Jagdish Patel was requested to take charge of the Ballot Box

After the polling, Mr. Rakesh Gothi, Chairman of the meeting declared that the scrutiniser would declare result in the stipulated time.

When all items listed in the notice of the Annual General meeting were dealt with, Chairman declared the meeting as over at 12.15 p.m.

Mr. Rakesh Gothi, on behalf of the entire Board of Management, 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 been able to achieve a dominant position in the industry and would continue to rely upon shareholders for future success as well.

On behalf of him and his colleagues on the Board he thanked all Banks and Financial Institutions and other stake holders for their trust in JBF and their continued support to the Company.

He also thanked eminent Directors for their valuable guidance from time to time and for their continued support and advice which has been of great benefit to the organization.

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CHAIRMAN

Place : Silvassa
Date : 25th September, 2015.