



# J. B. CHEMICALS & PHARMACEUTICALS LIMITED

October 1, 2020

Mr. Ranjit Shahani  
56, Hill Park A.G. Bell Road,  
Opp. Malabar Telephone Exchange,  
Malabar Hill, Mumbai 400006.

Dear Mr. Ranjit Shahani,

## Subject: Your appointment as Independent Director of the Company

We are pleased to inform you that the members of the Company at the Annual General Meeting held on September 30, 2020 have approved of your appointment as Independent Director of the Company pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 ("Act") and the rules made thereunder read with Schedule IV to the Act. This letter of appointment is issued to formalize your appointment as Independent Director as required pursuant to Schedule IV to the Act, and the terms and conditions of your appointment are as under. We have enumerated below the expectations of the board of directors ("**Board**") including duties and responsibilities. However, in addition to the terms and conditions set out in this letter of appointment, your conduct, role, functions, duties, responsibilities, powers, rights and privileges will be governed by the provisions the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("**Listing Obligations**") and other applicable law and regulations in force from time to time.

### 1) Appointment:

Your appointment as Independent Director is for a term of 5 years effective from August 31, 2020 to August 30, 2025. You shall continue to meet the criteria of independence as mentioned in the Act and the Listing Obligations from time to time. Your re-appointment for a further term will be subject to approval of the members of the Company by passing a special resolution. You confirm that no action, suit, proceeding, investigation or litigation, whether civil or criminal, is pending against you as on the date of your appointment.

### 2) Expectations of the Board:

As Independent Director of the Company, you are expected to bring to bear objectivity and independent judgement to the proceedings and deliberations of the Board, provide your expertise and objectively and constructively contribute to the Board in connection with setting up goals and objectives, formulation of strategy and monitoring and implementation thereof, evaluation of performance, risk management, corporate governance and protecting and enhancing interest of the Company and its stakeholders. You will be expected to devote time for the affairs of the Company and regularly attend meetings of the Board, committees appointed by the Board ("**Board Committees**") to which you are or may be appointed hereinafter, meeting(s) only of independent directors and general meetings as is appropriate for discharge of your duties and functions. Accordingly, you shall devote time to the satisfaction of the Board. The meetings of the Board and the Board Committees are ordinarily held in Mumbai (India).

Registered Office:  
Neelam Centre, B Wing, 4th Floor  
Hind Cycle Road  
Worli, Mumbai - 400 030

Corporate Office:  
Cnergy IT Park  
Unit A2, 3rd Floor, Unit A, 8th Floor  
Appa Saheb Marathe Marg, Prabhadevi  
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## 3) Board Level Committees:

The Board has formed committees as required under the Act and the Listing Regulations or otherwise to effectively discharge the functions of the Board. Hence, in order to draw on your expertise, experience and knowledge, presently, the Board has appointed you as Chairman/member of (1) Audit Committee (2) Nomination and Remuneration Committee, and (3) Corporate Social Responsibility Committee. The terms of reference of these committees are set out in Annexure-A, for your reference. These tasks may undergo change based on decision of the Board or requirement of the Act, Listing Regulations or any other law. The change, if any, in the said terms of reference will be communicated to you. In order to avail of your expertise and experience, the Board may also appoint you to any other committee with your concurrence.

## 4) Duties & Liabilities:

As you know, a director has fiduciary duties towards a company under common law besides the duties set out under the Act. Fiduciary duty broadly is (a) Duty of Care (duty to make a decision with reasonable care and diligence), and (b) Duty of Loyalty (duty to make a decision in the best interest of the company, and not any personal interest). The liabilities of a director could be under common law and enacted laws and regulations.

You agree and acknowledge that you shall not disclose any confidential information which will be made available to you by the Company during your term as an independent director. However, this shall not prevent disclosure by you to the extent such confidential information has previously become publicly available, or such disclosure is required to be made under applicable laws.

## 5) Directors and Officers Insurance:

The Company has taken Directors and Officer Liability insurance and shall keep the same in force during the term of your office.

## 6) Code of Business Ethics:

The Board of directors has formulated a Code of Conduct pursuant to the requirement of Listing Regulations as well as Internal Code of Conduct under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. These codes of conduct formulated by the Company have been shared with you. The Company expects you to abide by these codes of conduct in your capacity as director of the Company.

## 7) List of Actions that a director should not do while functioning as such:

It is expected that:

- 7.1 You shall not take any action that affects the Company's business interest, competitive advantage, reputation and standing;
- 7.2 You shall not take any action that is violative of the Company's Articles of Association or any law or regulations applicable to the Company;



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- 7.3 You shall not serve or continue to serve the board of directors of any competing company without leave of the Board; and
- 7.4 You shall keep Company's information strictly confidential and shall not disclose the same to any person during your tenure as director and five following years, without permission in writing of chairman of the Board.

## 8) Remuneration:

- 8.1 The sitting fee paid presently to Independent Director for attending each meeting of the Board and its specified Committees is Rs. 1,00,000. This amount of fees may be revised by the Board from time to time.
- 8.2 As per the Articles of Association of the Company, a director is entitled for reimbursement of reasonable travelling, lodging and boarding expenses incurred for attending meeting of the Board, committee meetings and general meetings or in relation to business or purposes of the Company.
- 8.3 Subject to recommendation of Nomination and Remuneration Committee and approval of the members at general meeting, the Board of directors may decide to pay profit related commission to independent directors from time to time.

We are confident that your expertise, experience and advice will immensely benefit the Board and the Company.

Yours Sincerely,

For and on behalf of the Board of Directors

**Prashant Kumar**  
**Director**

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# J. B. CHEMICALS & PHARMACEUTICALS LIMITED

## Annexure A

### Terms of Reference of Audit Committee:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
4. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Modified opinion(s) in the draft audit report.
6. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
7. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
8. Scrutiny of inter-corporate loans and investments;
9. Valuation of undertakings or assets of the Company, wherever it is necessary;
10. Evaluation of internal financial controls and risk management systems;
11. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Discussion with internal auditors of any significant findings and follow up there on;

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14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
17. To review the functioning of the whistle blower mechanism;
18. Approval of appointment of the chief financial officer (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
19. Approval or any subsequent modifications of transactions of the Company with related parties as per the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in force from time to time;
20. Examination of the financial statements and the auditors' report thereon;
21. Reviewing the utilization of loans and/or advances from/investment by the Company in the subsidiary exceeding Rs. 1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments;
22. Monitoring the end use of funds raised through public offers and related matters;
23. To review the information and the matters specified in Part C(B) of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
24. Such other items of business as per the provisions of the Companies Act, 2013, the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the time being in force requires or may hereinafter require the audit committee to consider, review, evaluate, examine, scrutinise, value, approve, monitor, report, note or otherwise.

## Terms of Reference of Nomination and Remuneration Committee:

1. To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees. The Nomination and Remuneration Committee shall, while formulating such policy, ensure that: (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully; (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
2. To formulate criteria for evaluation of performance of independent directors and the Board of directors;
3. To devise a policy on diversity of the Board of directors (including diversity of thought, experience, knowledge, perspective and gender);

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4. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
5. To decide as to whether to extend or continue the term of appointment of independent director, on the basis of the report of performance evaluation of independent directors and make recommendation to the Board in this behalf.
6. To recommend to the Board, all remuneration, in whatever form, payable to senior management.
7. To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
8. To determine remuneration package for executive directors and chief executive officers and also approve remuneration of executive directors in the event of absence or inadequacy of profits in any year pursuant to Schedule V to and other related provisions of the Companies Act, 2013;
9. To carry out such other function and duty as is or may be prescribed under the provisions of the Companies Act, 2013, the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, from time to time.

## Terms of Reference of Corporate Social Responsibility Committee:

- (i) To formulate and recommend to the Board a corporate social responsibility policy, which shall indicate the activities to be undertaken by the Company as specified in areas or subjects specified in Schedule VII to the Companies Act, 2013, for the time being in force;
- (ii) To approve CSR activities and projects and recommend the same to the Board for approval;
- (iii) To recommend the amount of expenditure to be incurred on the CSR activities as referred above, provided that preference shall be given to the local areas in which the company operates;
- (iv) To institute transparent monitoring mechanism for implementation of CSR activities/projects undertaken by the Company;
- (v) To monitor the Corporate Social Responsibility Policy of the Company from time to time; and
- (vi) To carry out such other functions as is or may be prescribed under the provisions of the Companies Act, 2013 and the rules made thereunder from time to time.

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# J. B. CHEMICALS & PHARMACEUTICALS LIMITED

October 1, 2020

Ms. Padmini Khare Kaicker  
107, 1<sup>st</sup> floor, cumballa CHS,  
G.D. Marg, Pedder road,  
Mumbai 400026.

Dear Ms. Padmini Khare Kaicker,

## **Subject: Your appointment as Independent Director of the Company**

We are pleased to inform you that the members of the Company at the Annual General Meeting held on September 30, 2020 have approved of your appointment as Independent Director of the Company pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 ("Act") and the rules made thereunder read with Schedule IV to the Act. This letter of appointment is issued to formalize your appointment as Independent Director as required pursuant to Schedule IV to the Act, and the terms and conditions of your appointment are as under. We have enumerated below the expectations of the board of directors ("**Board**") including duties and responsibilities. However, in addition to the terms and conditions set out in this letter of appointment, your conduct, role, functions, duties, responsibilities, powers, rights and privileges will be governed by the provisions the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("**Listing Obligations**") and other applicable laws and regulations in force from time to time.

### **1) Appointment:**

Your appointment as Independent Director is for a term of 5 years effective from August 31, 2020 to August 30, 2025. You shall continue to meet the criteria of independence as mentioned in the Act and the Listing Obligations from time to time. Your re-appointment for a further term will be subject to approval of the members of the Company by passing a special resolution.

### **2) Expectations of the Board:**

As Independent Director of the Company, you are expected to bring to bear objectivity and independent judgement to the proceedings and deliberations of the Board, provide your expertise and objectively and constructively contribute to the Board in connection with setting up goals and objectives, formulation of strategy and monitoring and implementation thereof, evaluation of performance, risk management, corporate governance and protecting and enhancing interest of the Company and its stakeholders. You will be expected to devote time for the affairs of the Company and regularly attend meetings of the Board, committees appointed by the Board ("**Board Committees**") to which you are or may be appointed hereinafter, meeting(s) only of independent directors and general meetings as is appropriate for discharge of your duties and functions. Accordingly, you shall devote time to the satisfaction of the Board. The meetings of the Board and the Board Committees are ordinarily held in Mumbai (India).

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## 3) Board Level Committees:

The Board has formed committees as required under the Act and the Listing Regulations or otherwise to effectively discharge the functions of the Board. Hence, in order to draw on your expertise, experience and knowledge, presently, the Board has appointed you as Chairperson/member of (1) Audit Committee (2) Risk Management Committee (3) Compensation Committee (ESOS), and (4) Share Transfer Committee. The terms of reference of these committees are set out in Annexure-A, for your reference. These tasks may undergo change based on decision of the Board or requirement of the Act, Listing Regulations or any other law. The change, if any, in the said terms of reference will be communicated to you. In order to avail of your expertise and experience, the Board may also appoint you to any other committee with your concurrence.

## 4) Duties & Liabilities:

As you know, a director has fiduciary duties towards a company under common law besides the duties set out under the Act. Fiduciary duty broadly is (a) Duty of Care (duty to make a decision with reasonable care and diligence), and (b) Duty of Loyalty (duty to make a decision in the best interest of the company, and not any personal interest). The liabilities of a director could be under common law and enacted laws and regulations.

You agree and acknowledge that you shall not disclose any confidential information which will be made available to you by the Company during your term as an independent director. However, this shall not prevent disclosure by you to the extent such confidential information has previously become publicly available, or such disclosure is required to be made under applicable laws.

## 5) Directors and Officers Insurance:

The Company has taken Directors and Officer Liability insurance and shall keep the same in force during the term of your office.

## 6) Code of Business Ethics:

The Board of directors has formulated a Code of Conduct pursuant to the requirement of Listing Regulations as well as Internal Code of Conduct under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. These codes of conduct formulated by the Company have been shared with you. The Company expects you to abide by these codes of conduct in your capacity as director of the Company.

## 7) List of Actions that a director should not do while functioning as such:

It is expected that:

- 7.1 You shall not take any action that affects the Company's business interest, competitive advantage, reputation and standing;
- 7.2 You shall not take any action that is violative of the Company's Articles of Association or any law or regulations applicable to the Company;
- 7.3 You shall not serve or continue to serve the board of directors of any competing company without leave of the Board; and

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7.4 You shall keep Company's information strictly confidential and shall not disclose the same to any person during your tenure as director and five following years, without permission in writing of chairman of the Board.

## 8) Remuneration:

8.1 The sitting fee paid presently to Independent Director for attending each meeting of the Board and specified committees is Rs. 1,00,000. This amount of fees may be revised by the Board from time to time.

8.2 As per the Articles of Association of the Company, a director is entitled for reimbursement of reasonable travelling, lodging and boarding expenses incurred for attending meeting of the Board, committee meetings and general meetings or in relation to business or purposes of the Company.

8.3 Subject to recommendation of Nomination and Remuneration Committee and approval of the members at general meeting, the Board of directors may decide to pay profit related commission to independent directors from time to time.

We are confident that your expertise, experience and advice will immensely benefit the Board and the Company.

Yours Sincerely,

For and on behalf of the Board of Directors

**Prashant Kumar**

**Director**

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# J. B. CHEMICALS & PHARMACEUTICALS LIMITED

## Annexure A

### Terms of Reference of Audit Committee:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
4. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
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  - g. Modified opinion(s) in the draft audit report.
6. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
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8. Scrutiny of inter-corporate loans and investments;
9. Valuation of undertakings or assets of the Company, wherever it is necessary;
10. Evaluation of internal financial controls and risk management systems;
11. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Discussion with internal auditors of any significant findings and follow up there on;

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14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
17. To review the functioning of the whistle blower mechanism;
18. Approval of appointment of the chief financial officer (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
19. Approval or any subsequent modifications of transactions of the Company with related parties as per the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in force from time to time;
20. Examination of the financial statements and the auditors' report thereon;
21. Reviewing the utilization of loans and/or advances from/investment by the Company in the subsidiary exceeding Rs. 1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments;
22. Monitoring the end use of funds raised through public offers and related matters;
23. To review the information and the matters specified in Part C(B) of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
24. Such other items of business as per the provisions of the Companies Act, 2013, the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the time being in force requires or may hereinafter require the audit committee to consider, review, evaluate, examine, scrutinise, value, approve, monitor, report, note or otherwise.

## Terms of Reference of Risk Management Committee:

1. To periodically review the risks/additional risks, including cyber security, identified by the Company's management and evaluate the effectiveness of the mitigations measures;
2. To report to the Board risks/additional risks identified along with mitigation measures; and
3. To monitor and review the risk management plan formulated by the Board from time to time.

## Terms of Reference of Compensation Committee (ESOS):

- (a) To determine the employees amongst the eligible categories of employees to whom the options are to be granted;
- (b) To determine the time when the Options are to be granted;

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- (c) To determine the number of tranche in which options are to be granted and the number of options to be granted in each such tranche;
- (d) To determine the criteria for determining the number of options to be granted to the eligible employees;
- (e) To determine the number of options to be granted to each employee;
- (f) To determine the terms and conditions subject to which the options granted would vest in the employee;
- (g) To determine the terms and conditions subject to which the options vested would be exercisable by the employees;
- (h) To determine the number of options to be apportioned/allocated for various grades of employees;
- (i) To determine assignment of weightage to length of service, grade and performance rating;
- (j) To determine the number of options to be reserved, if any, for granting to new employees who would join the services of the company etc. and
- (k) To allot the shares upon exercise of options by the option grantees.

## Terms of Reference of Share Transfer Committee:

- (i) To consider and approve transfer (to the extent permitted by law), transmission, transposition, split, consolidation, dematerialisation, issue of duplicate certificate of shares in replacement of those that are defaced, torn, old, decrepit, worn-out, etc;
- (ii) To consider and approve issue of duplicate share certificate in lieu of original lost or destroyed on such reasonable terms such as furnishing supporting evidence and indemnity and payment of out-of-pocket expenses incurred by the Company in investigating the evidence produced and payment of such fee per certificate issued as fixed by the Board from time to time;
- (iii) To consider and approve transfer of shares only if (a) the transfer deeds have been lodged with the Company or its share transfer agent prior to 1-4-2019 and returned due to deficiencies in the documents and such transfer deeds have been re-lodged with the Company for transfer even after the 1-4-2019, and (b) transfer of shares in physical shares is permitted by SEBI under regulations framed or circulars issued by it from time to time.

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# J. B. CHEMICALS & PHARMACEUTICALS LIMITED

October 1, 2020

Mr. Sumit Bose  
CK-257, 2<sup>nd</sup> floor, Salt Lake,  
Near CK Market, Kolkata- 700091,  
West Bengal, India.

Dear Mr. Sumit Bose,

## Subject: Your appointment as Independent Director of the Company

We are pleased to inform you that the members of the Company at the Annual General Meeting held on September 30, 2020 have approved of your appointment as Independent Director of the Company pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 ("Act") and the rules made thereunder read with Schedule IV to the Act. This letter of appointment is issued to formalize your appointment as Independent Director as required pursuant to Schedule IV to the Act, and the terms and conditions of your appointment are as under. We have enumerated below the expectations of the board of directors ("Board") including duties and responsibilities. However, in addition to the terms and conditions set out in this letter of appointment, your conduct, role, functions, duties, responsibilities, powers, rights and privileges will be governed by the provisions the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Obligations"), as amended from time to time and other applicable law and regulations in force from time to time.

### 1) Appointment:

Your appointment as Independent Director is for a term of 5 years effective from August 31, 2020 to August 30, 2025. You shall continue to meet the criteria of independence as mentioned in the Act and the Listing Obligations from time to time. Your re-appointment for a further term will be subject to approval of the members of the Company by passing a special resolution.

### 2) Expectations of the Board:

As Independent Director of the Company, you are expected to bring to bear objectivity and independent judgement to the proceedings and deliberations of the Board, provide your expertise and objectively and constructively contribute to the Board in connection with setting up goals and objectives, formulation of strategy and monitoring and implementation thereof, evaluation of performance, risk management, corporate governance and protecting and enhancing interest of the Company and its stakeholders. You will be expected to devote time for the affairs of the Company and regularly attend meetings of the Board, committees appointed by the Board ("Board Committees") to which you are or may be appointed hereinafter, meeting(s) only of independent directors and general meetings as is appropriate for discharge of your duties and functions. Accordingly, you shall devote time to the satisfaction of the Board. The meetings of the Board and the Board Committees are ordinarily held in Mumbai (India).

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## 3) Board Level Committees:

The Board has formed committees as required under the Act and the Listing Regulations or otherwise to effectively discharge the functions of the Board. Hence, in order to draw on your expertise, experience and knowledge, presently, the Board has appointed you as Chairman/member of (1) Audit Committee (2) Nomination and Remuneration Committee (3) Corporate Social Responsibility Committee (4) Stakeholders Relationship Committee, and (5) Compensation Committee (ESOS). The terms of reference of these committees are set out in Annexure-A, for your reference. These tasks may undergo change based on decision of the Board or requirement of the Act, Listing Regulations or any other law. The change, if any, in the said terms of reference will be communicated to you. In order to avail of your expertise and experience, the Board may also appoint you to any other committee with your concurrence.

## 4) Duties & Liabilities:

As you know, a director has fiduciary duties towards a company under common law besides the duties set out under the Act. Fiduciary duty broadly is (a) Duty of Care (duty to make a decision with reasonable care and diligence), and (b) Duty of Loyalty (duty to make a decision in the best interest of the company, and not any personal interest). The liabilities of a director could be under common law and enacted laws and regulations.

You agree and acknowledge that you shall not disclose any confidential information which will be made available to you by the Company during your term as an independent director. However, this shall not prevent disclosure by you to the extent such confidential information has previously become publicly available, or such disclosure is required to be made under applicable laws.

## 5) Directors and Officers Insurance:

The Company has taken Directors and Officer Liability insurance and shall keep the same in force during the term of your office.

## 6) Code of Business Ethics:

The Board of directors has formulated a Code of Conduct pursuant to the requirement of Listing Regulations as well as Internal Code under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. These codes of conduct formulated by the Company have been shared with you. The Company expects you to abide by these codes of conduct in your capacity as director of the Company.

## 7) List of Actions that a director should not do while functioning as such:

It is expected that:

- 7.1 You shall not take any action that affects the Company's business interest, competitive advantage, reputation and standing;
- 7.2 You shall not take any action that is violative of the Company's Articles of Association or any law or regulations applicable to the Company;

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- 7.3 You shall not serve or continue to serve the board of directors of any competing company without leave of the Board; and
- 7.4 You shall keep Company's information strictly confidential and shall not disclose the same to any person during your tenure as director and five following years, without permission in writing of chairman of the Board.

## 8) Remuneration:

- 8.1 The sitting fee paid presently to Independent Director for attending each meeting of the Board and specified Committees is Rs. 1,00,000. This amount of fees may be revised by the Board from time to time.
- 8.2 As per the Articles of Association of the Company, a director is entitled for reimbursement of reasonable travelling, lodging and boarding expenses incurred for attending meeting of the Board, committee meetings and general meetings or in relation to business or purposes of the Company.
- 8.3 Subject to recommendation of Nomination and Remuneration Committee and approval of the members at general meeting, the Board of directors may decide to pay profit related commission to independent directors from time to time.

We are confident that your expertise, experience and advice will immensely benefit the Board and the Company.

Yours Sincerely,

For and on behalf of the Board of Directors

**Prashant Kumar**  
Director

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## Annexure A

### Terms of Reference of Audit Committee:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
4. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements'
  - f. Disclosure of any related party transactions; and
  - g. Modified opinion(s) in the draft audit report.
6. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
7. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
8. Scrutiny of inter-corporate loans and investments;
9. Valuation of undertakings or assets of the Company, wherever it is necessary;
10. Evaluation of internal financial controls and risk management systems;
11. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Discussion with internal auditors of any significant findings and follow up there on;

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14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
17. To review the functioning of the whistle blower mechanism;
18. Approval of appointment of the chief financial officer (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
19. Approval or any subsequent modifications of transactions of the Company with related parties as per the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in force from time to time;
20. Examination of the financial statements and the auditors' report thereon;
21. Reviewing the utilization of loans and/or advances from/investment by the Company in the subsidiary exceeding Rs. 1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments;
22. Monitoring the end use of funds raised through public offers and related matters;
23. To review the information and the matters specified in Part C(B) of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
24. Such other items of business as per the provisions of the Companies Act, 2013, the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the time being in force requires or may hereinafter require the audit committee to consider, review, evaluate, examine, scrutinise, value, approve, monitor, report, note or otherwise.

## Terms of Reference of Nomination and Remuneration Committee:

1. To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees. The Nomination and Remuneration Committee shall, while formulating such policy, ensure that: (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully; (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
2. To formulate criteria for evaluation of performance of independent directors and the Board of directors;
3. To devise a policy on diversity of the Board of directors (including diversity of thought, experience, knowledge, perspective and gender);

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4. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
5. To decide as to whether to extend or continue the term of appointment of independent director, on the basis of the report of performance evaluation of independent directors and make recommendation to the Board in this behalf.
6. To recommend to the Board, all remuneration, in whatever form, payable to senior management.
7. To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
8. To determine remuneration package for executive directors and chief executive officers and also approve remuneration of executive directors in the event of absence or inadequacy of profits in any year pursuant to Schedule V to and other related provisions of the Companies Act, 2013;
9. To carry out such other function and duty as is or may be prescribed under the provisions of the Companies Act, 2013, the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, from time to time.

## Terms of Reference of Corporate Social Responsibility Committee:

- (i) To formulate and recommend to the Board a corporate social responsibility policy, which shall indicate the activities to be undertaken by the Company as specified in areas or subjects specified in Schedule VII to the Companies Act, 2013, for the time being in force;
- (ii) To approve CSR activities and projects and recommend the same to the Board for approval;
- (iii) To recommend the amount of expenditure to be incurred on the CSR activities as referred above, provided that preference shall be given to the local areas in which the company operates;
- (iv) To institute transparent monitoring mechanism for implementation of CSR activities/projects undertaken by the Company;
- (v) To monitor the Corporate Social Responsibility Policy of the Company from time to time; and
- (vi) To carry out such other functions as is or may be prescribed under the provisions of the Companies Act, 2013 and the rules made thereunder from time to time.

## Terms of Reference of Stakeholders Relationship Committee:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

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4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
5. Such other items of business as prescribed under the Companies Act, 2013, rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time.

## Terms of Reference of Compensation Committee (ESOS):

- (a) To determine the employees amongst the eligible categories of employees to whom the options are to be granted;
- (b) To determine the time when the Options are to be granted;
- (c) To determine the number of tranche in which options are to be granted and the number of options to be granted in each such tranche;
- (d) To determine the criteria for determining the number of options to be granted to the eligible employees;
- (e) To determine the number of options to be granted to each employee;
- (f) To determine the terms and conditions subject to which the options granted would vest in the employee;
- (g) To determine the terms and conditions subject to which the options vested would be exercisable by the employees;
- (h) To determine the number of options to be apportioned/allocated for various grades of employees;
- (i) To determine assignment of weightage to length of service, grade and performance rating;
- (j) To determine the number of options to be reserved, if any, for granting to new employees who would join the services of the company etc. and
- (k) To allot the shares upon exercise of options by the option grantees.

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