



# **ANNUAL REPORT**

**2018-19**

**Kothari Fermentation & Biochem Limited**

**KOTHARI FERMENTATION AND BIOCHEM LIMITED**

(CIN: L72411DL1990PLC042502)

Regd. Office: 16, Community Centre, First Floor, Saket, New Delhi-110017

Tel: 011-26850004, Fax: 011-41664840, Email – [info@kothariyeast.in](mailto:info@kothariyeast.in)Website: [www.kothariyeast.in](http://www.kothariyeast.in)**BOARD OF DIRECTORS**

Pramod Kumar Kothari	Chairman and Managing Director
Kavita Devi Kothari	Whole-Time Director
Prasanna Kumar Pagaria	Non-executive Independent Director
Ratan Lal Dudheria	Non-executive Independent Director
Hemendra Patsingh Dugar	Non-executive Independent Director

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Kavita Tanwar

**CHIEF FINANCIAL OFFICER**

Arun Kumar Sekhani

**BANKERS**

Punjab National Bank  
State Bank of India  
ICICI Bank Limited  
HDFC Bank

**AUDITORS**

KOTHARI KULDEEP & Co.  
Chartered Accountants  
New Delhi

**REGISTERED OFFICE**

1st Floor, 16, Community Centre, Saket,  
New Delhi - 110017

**FACTORY**

Village Rajarampur  
Industrial Area, Sikandrabad  
Distt. Bulandshahr (U.P.)

**SHARE TRANSFER AGENT**

Abhipra Capital Limited  
Ground Floor-Abhipra Complex,  
Dilkhush Industrial Area, A-387,  
G.T. Karnal Road, Azadpur, Delhi-110033

**CONTENTS**

	Page No.
Notice .....	2
Directors' Report .....	10
Management Discussion & Analysis Report .....	23
Report on Corporate Governance .....	25
Auditors' Report .....	37
Balance Sheet .....	41
Statement of Profit & Loss .....	42
Cash Flow Statement .....	43
Notes to Financial Statement .....	45



## NOTICE OF TWENTY NINTH ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the TWENTY NINTH ANNUAL GENERAL MEETING of the members of "KOTHARI FERMENTATION AND BIOCHEM LIMITED" will be held on Friday, the 27<sup>th</sup> day of September, 2019 at 1:00 P.M. at "Bipin Chandra Pal Memorial Trust Auditorium", Satindra Mohandev Charitable Medical Centre, A-81, Chitranjan Park, New Delhi – 110 019, to transact the following businesses:

### AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the company for the financial year ended on 31<sup>st</sup> of March, 2019, the Reports of Board of Directors and Auditors thereon.
2. To appoint a director in place of Mrs. Kavita Devi Kothari (DIN: 00120415), who retires by rotation and, being eligible, offers herself for reappointment.

### AS SPECIAL BUSINESS

3. To re-appoint Mr. Prasanna Kumar Pagaria (DIN: 00162904) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force), and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time, the appointment of Mr. Prasanna Kumar Pagaria (DIN: 00162904), who was appointed as an Independent Director and who holds office of Independent Director upto September 28, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five (5) consecutive years with effect from September 29, 2019 upto September 28, 2024.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, things, matters and to execute all such documents as may be necessary in this regard."

4. To appoint Mr. Piyush Kumar Goel (DIN: 0008539042) as Director and Non-Executive Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **ORDINARY RESOLUTION**:

**"RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force), and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time Mr. Piyush Kumar Goel (DIN : 0008539042), who meets the criteria for independence as provided in Section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment, as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from 27th September, 2019 upto 26th September, 2024, be and is hereby approved.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, things, matters and to execute all such documents as may be necessary in this regard."

5. To appoint Mr. Hemendra Patsingh Dugar (DIN: 05227746) as Director and Non Executive Independent Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** Mr. Hemendra Patsingh Dugar (DIN: 05227746), who was appointed as an Additional Director (Non-Executive Independent Director) of the Company with effect from November 14, 2018 under section 161(1) of the Companies Act, 2013("the Act") and Article of Association of the Company by the Board of Directors and who holds office upto the date of this (29<sup>th</sup>) Annual General Meeting of the Company, who is eligible for appointment and in respect of whom the Company has received a notice in writing under section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force), and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time, the appointment of Mr. Hemendra Patsingh Dugar (DIN: 05227746), who meets the criteria for independence as provided in Section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1) (b) of the Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment, as an



Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from 14<sup>th</sup> November, 2018 upto 13<sup>th</sup> November, 2023, be and is hereby approved.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, things, matters and to execute all such documents as may be necessary in this regard."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 and in partial modification of the relevant resolution passed at the Annual General Meeting of the Company held on 28.09.2018, consent of the Company be and is hereby accorded to the revision in the remuneration of Mr. Pramod Kumar Kothari, (DIN:00086145), Chairman & Managing Director of the Company, w.e.f. 01.04.2019 to a salary of Rs.2,50,000/- (Rupees Two Lakh Fifty Thousand only) per month and in the pay scale of Rs. 2,50,000-50,000-4,00,000 there by providing increase of Rs. 50,000 p.m. from 1st april every year for the remaining period of his tenure i.e. upto 31.03.2023.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, things, matters and to execute all such documents as may be necessary in this regard."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 and in partial modification of the relevant resolution passed at the Annual General Meeting of the Company held on 28.09.2018, consent of the Company be and is hereby accorded to the revision in the remuneration of Mrs. Kavita Devi Kothari, (DIN:00120415), Whole-Time Director of the Company, w.e.f. 01.04.2019 to a salary of Rs.2,25,000/- (Rupees Two Lakh Twenty Five Thousand only) per month, and in the Pay scale of Rs. 2,25,000-50,000-3,75,000 there by providing increase of Rs. 50,000 p.m. from 1st April every year for the remaining period of her tenure i.e. upto 31.03.2023.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, things, matters and to execute all such documents as may be necessary in this regard."

By order of the Board  
For KOTHARI FERMENTATION AND BIOCHEM LIMITED

Sd/-  
Kavita Tanwar  
Company Secretary  
ACS - 29486

Date: 12.08.2019  
Place: New Delhi

Regd. Office:  
16, Community Centre, 1<sup>st</sup> Floor, Saket,  
New Delhi – 110 017.

#### **NOTES**

1. a) A member entitled to attend and vote at the annual general meeting, is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member of the company.
- b) Proxies in order to be effective must be received at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
- c) A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than 10 per cent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- d) Members / Proxies should bring the attendance slip duly filled in for attending the meeting along with their copy of Annual Report for reference.
2. (i) Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.



- (ii) In case of joint holders attending the meeting, only such joint holder who is higher in order of names will be entitled to vote.
3. The relevant details of Directors seeking appointment/re-appointment at the AGM as required by Regulation 36(3) of the SEBI Listing Regulations, forms integral part of the notice.
  4. Register of Members of the Company will remain closed from Friday, 20<sup>th</sup> day of September, 2019 to Friday, the 27<sup>th</sup> day of September, 2019 (both days inclusive) for the purpose of Annual General Meeting.
  5. The Register of Directors and Key Managerial Personnel and their Shareholding, maintained under section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
  6. The Register of Contracts or Arrangements in which the Directors are interested, maintained under section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
  7. The Company is providing facility for Voting by electronic means and the business may be transacted through such voting.
  8. The facility for voting through ballot or polling paper will be available at the AGM and members attending the meeting who have not cast their vote by remote voting will be able to exercise their voting right at the meeting.
  9. The members who have casted their vote by remote e-voting prior to the meeting may also attend but shall not be entitled to cast their vote again.
  10. Electronic copy of the Annual Report for the financial year ending 31.03.2019, along with Notice, Instructions for E-voting, Attendance Slip, Proxy Form and Route Map is being sent to all the members whose e-mail IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Annual Report is being sent in the permitted mode.
  11. Members may also note that the Notice of the 29<sup>th</sup> AGM and the Annual Report for the year 2018-2019 will be available on the Company's website, [www.kothariyeast.in](http://www.kothariyeast.in). Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by courier, free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [info@kothariyeast.in](mailto:info@kothariyeast.in).
  12. The physical copies of the AGM Notice and Annual Report for the Financial Year 2018-19 and document(s) referred to in the Explanatory statement to the Notice, will also be available at the Registered Office of the Company for inspection between 11.00 a.m. to 1.00 p.m. on any working day up to the date of AGM.
  13. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Abhipra Capital Limited ("RTA") for assistance in this regard.
  14. To support the 'Green Initiative', members who have not yet registered their email addresses are requested to register the same with their Depository Participants ("DPs") in case the shares are held by them in electronic form and with the RTA in case the shares are held by them in physical form.
  15. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to Company's RTA in case the shares are held in physical form.
  16. Pursuant to Section 72 of Companies Act, 2013, member(s) of the Company may nominate a person in whom the shares held by him/them shall vest in the event of his/her unfortunate death. Member(s) holding shares in physical form may file nomination in the prescribed Form SH-13 with Company's RTA. In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.
  17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) and Bank account details by every participant in securities market. Member(s) holding shares of the Company, either in electronic form or physical form are, therefore, requested to submit the PAN and provide Bank account details to their Depository Participants with whom they are maintaining their demat accounts (in case of shares in electronic form) and to the Company/ RTA (in case of shares are in physical form).
  18. A route map showing directions to reach the venue of the 29<sup>th</sup> Annual General Meeting of the Company is enclosed as back cover of Annual Report as per the requirement of the "Secretarial Standards 2" on General Meetings.
  19. **VOTING THROUGH ELECTRONIC MEANS**
    - a) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure



Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on Resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through E-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("**Remote E-Voting**") will be provided by National Securities Depository Limited (NSDL) from 24<sup>th</sup> September, 2019 to 26<sup>th</sup> September, 2019.

The instructions for e-voting are as under:

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

➤ **Step-1- Details are mentioned below**

**How to Log-into NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](https://www.evoting.nsdl.com/).



- b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
- 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- 8. Now, you will have to click on "Login" button.
- 9. After you click on the "Login" button, Home page of e-Voting will open.

➤ **Step 2: Details are given below**

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [vijay.sharma@vkscosecy.com](mailto:vijay.sharma@vkscosecy.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  - a) The facility for voting through Ballot Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
  - b) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - c) **The remote e-voting period commences on Tuesday, 24<sup>th</sup> day of September 2019 (9.00 a.m.) and ends on Thursday, September 26<sup>th</sup>, 2019 (5.00 p.m.).** During the e-voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on **the cut-off date of 20<sup>th</sup> day of September, 2019**, may cast their votes electronically.

**Other instructions**

- a) In case of any queries, refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- b) Member can also update their mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the **cut-off date of 20<sup>th</sup> September, 2019**.
- d) Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 20<sup>th</sup> September, 2019, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).





- e) However, if the member is already registered with NSDL for remote e-voting then he can use his existing user ID and password for casting his vote. If he forgets his password, he can reset his password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- f) Mr. V.K. Sharma, Practising Company Secretary (Membership No. – FCS -3440) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- g) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "**Ballot Paper**" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- h) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- i) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company, i.e. [www.kothariyeast.in](http://www.kothariyeast.in) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai where the shares of the Company are listed.

#### **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

##### **Item No. 3**

Mr. Prasanna Kumar Pagaria was appointed as Independent Director on the Board of the Company pursuant to the provisions of section 149 of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 ("Rules") for a period from September 29, 2014 to September 28, 2019. The Nomination and Remuneration Committee of the Board, on the basis of the report of performance evaluation of Mr. Prasanna Kumar Pagaria, which was satisfactory, has recommended the re-appointment of Mr. Prasanna Kumar Pagaria as an Independent Director for a second term of five (5) years on the Board of the Company with effect from September 29, 2019 upto September 28, 2024. The Board is of the view that the continued association of Mr. Prasanna Kumar Pagaria would benefit the Company, given his knowledge, experience, performance and contribution to Board processes. Mr. Prasanna Kumar Pagaria is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. The Company has also received declaration from Mr. Prasanna Kumar Pagaria that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Rules and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Company has received necessary candidature notice under Section 160 of Act with respect to Mr. Prasanna Kumar Pagaria. In the opinion of the Board, Mr. Prasanna Kumar fulfils the conditions specified in the Act, the Rules made thereunder and the Listing Regulations for re-appointment as Independent Director and that he is independent of the management of the Company. A copy of draft letter of appointment of Mr. Prasanna Kumar Pagaria, setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company. Mr. Prasanna Kumar Pagaria is interested in the Special Resolution set out at Item No. 3, respectively with respect to his re-appointment. The Board commends the Special Resolution set out at Item No. 3 of the Notice for approval by the members. Disclosures required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 are annexed to this Notice.

##### **ITEM NO. 4**

The Board, based on recommendation of the Nomination and Remuneration Committee ("NRC"), proposes appointment of Mr. Piyush Kumar Goel, as Director and Non-executive Independent director of the Company in place of Mr. Ratan Lal Dudheria as his term expires on 28-09-19. Mr. Piyush Kumar Goel is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Director. The Company has also received declaration from Mr. Piyush Kumar Goel that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Rules and Regulation 16 of the Listing Regulations. The Company has received necessary candidature notice under Section 160 of Act with respect to Mr. Piyush Kumar Goel proposing his appointment as Director of the company. Mr. Piyush Kumar Goel is not debarred from holding the position of a Director pursuant to any order of SEBI or any other authority. Mr. Piyush Kumar Goel is interested in the Ordinary Resolution set out at Item No. 4 with respect to his appointment.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members. Disclosures required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 are annexed to this Notice.



**ITEM NO. 5**

The Board, based on recommendation of the Nomination and Remuneration Committee ("NRC"), appointed Mr. Hemendra Patsingh Dugar, as Additional Director in a capacity of Independent Director of the Company on November 14, 2018 and he hold office as Additional Director up to the date of this (29th) AGM, pursuant to the provisions of Section 161(1) of the Act. Mr. Hemendra Patsingh Dugar is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given their consent to act as Director. The Company has also received declaration from Mr. Hemendra Patsingh Dugar that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Rules and Regulation 16 of the Listing Regulations. The Company has received necessary candidature notice under Section 160 of Act with respect to Mr. Hemendra Patsingh Dugar proposing his appointment as Director of the company. Mr. Hemendra Patsingh Dugar is not debarred from holding the position of a Director pursuant to any order of SEBI or any other authority. Mr. Hemendra Patsingh Dugar is interested in the Ordinary Resolution set out at Item No. 5 with respect to his appointment.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the members. Disclosures required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 are annexed to this Notice.

**ITEM NO. 6**

The shareholders may recall that Mr. Pramod Kumar Kothari was re-appointed as the Chairman & Managing Director of the Company w.e.f 01.04.2018 for a period of 5 years at the 28<sup>th</sup> Annual General Meeting held on 28.09.2018.

Since there has been a considerable increase in the duties and responsibilities performed by the Chairman & Managing Director and after considering the prevailing Managerial Remuneration in Industry, the Board of Directors at their meeting, on the recommendations made by the Nomination and Remuneration Committee, has approved the proposal to increase the salary of Mr. Pramod Kumar Kothari, Chairman & Managing Director from the present Rs. 200,000/- per month to Rs. 2,50,000/- per month, w.e.f. 01.04.2019 and in the pay scale of Rs. 250,000-50,000-4,00,000 there by providing increase of Rs. 50,000 from 1st april every year for the remaining period of his tenure, i.e. upto 31.03.2023. Except for the aforesaid revision in salary, all other terms and conditions of his appointment as the Chairman & Managing Director of the Company as approved earlier shall remain unchanged.

As the terms for revision in remuneration proposed above are well in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act, Central Government approval is not necessary for the above revision in remuneration.

The Board recommend the Ordinary Resolution set out in Item No. 6 of the accompanying Notice for approval of the Members.

Mr. Pramod Kumar Kothari and his relatives (including Mrs. Kavita Devi Kothari, Whole-Time Director) may be deemed to be concerned or interested in the said resolution. No other Director, KMP or their relatives are concerned or interested in the said resolution.

**ITEM NO. 7**

The shareholders may recall that Mrs. Kavita Devi Kothari was re-appointed as the Whole-Time Director of the Company w.e.f 01.04.2018 for a period of 5 years at the 28<sup>th</sup> Annual General Meeting held on 28.09.2018.

Since there has been a considerable increase in the duties and responsibilities performed by the Whole-Time Director and after considering the prevailing Managerial Remuneration in Industry, the Board of Directors at their meeting, on the recommendations made by the Nomination and Remuneration Committee, has approved the proposal to increase the salary of Mrs. Kavita Devi Kothari, Whole-Time Director from the present Rs. 1,75,000/- per month to Rs.2,25,000/- per month, w.e.f. 01.04.2019 and in the pay scale of Rs. 2,25,000-50,000-3,75,000 there by providing increase of Rs. 50,000 from 1st april every year for the remaining period of her tenure, i.e. upto 31.03.2023. Except for the aforesaid revision in salary, all other terms and conditions of her appointment as the Whole-Time Director of the Company as approved earlier shall remain unchanged.

As the terms for revision in remuneration proposed above are well in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act, Central Government approval is not necessary for the above revision in remuneration.

The Board recommends the Ordinary Resolution set out in Item No. 7 of the accompanying Notice for approval of the Members.

Mrs. Kavita Devi Kothari, Whole-Time Director and her relatives (including Mr. Pramod Kumar Kothari, Chairman & Managing Director) may be deemed to be concerned or interested in the said resolution. No other Director, KMP or their relatives are concerned or interested in the said resolution.

## **DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED AT THE FORTHCOMING ANNUAL GENERAL MEETING**

(Pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard 2 issued by ICSI.

- Mrs. Kavita Devi Kothari (DIN: 00120415)**

Mrs. Kothari is presently the Whole Time Director of the Company. She is one of the Promoter directors of the company and has



been playing a vital role in the overall structure & development of the company since her appointment. Mrs. Kothari aged about 51 years is a Graduate and has a considerable experience of Finance and Marketing functions. Her strong entrepreneurial skills, as also an undying commitment and belief in her abilities, have been instrumental in bringing KFB to its present position.

She holds 7,30,800 Equity Shares of face value of Rs.10/- each, constituting around 4.87 % of the total paid-up share capital of the Company. She was appointed as the Whole Time Director of the Company for a period of 5 years w.e.f. 1st April, 2018. The said appointment was approved by the members of the company at their 28th AGM held on 28.09.2018 by way of an Ordinary resolution. Her appointment for 5 years is liable to retire by rotation and her reappointment would not constitute a break in her tenure.

She is also a Director in M/s. Chaudhry Brothers Traders And Builders Private Limited, Kothari Thermoplast Private Limited and San Kothari Lifecare Private Limited but does not hold membership of any committees of the Board of such other company.

She is the wife of Mr. Pramod Kumar Kothari, the Chairman & Managing Director of Kothari Fermentation & Biochem Limited (KFB). The disclosure of shareholding of the Non-Executive Directors is separately provided later in the report on Corporate Governance.

- **Mr. Prasanna Kumar Pagaria (DIN: 00162904)**

Mr. Pagaria is a Non-Executive Independent Director and was first appointed on the Board in the year 2002.

A graduate of around 56 years of age is having an established business of wires and electrical goods and appliances in Delhi for the last 30 years.

He holds the Chairmanship of the Audit Committee, Nomination & Remuneration Committee and the Stakeholders' Relationship Committee of the Board of the Company. He does not hold any shares in KFB.

- **Mr. Piyush Kumar Goel (DIN: 0008539042)**

Mr. Piyush Kumar Goel is a BSC and Law graduate around 39 years of age and successfully running his law practice since many years. He is a Direct and Indirect Taxes consultant. He is having vast experience in the field of Taxation.

- **Mr. Hemendra Patsingh Dugar (DIN: 05227746)**

Mr. Dugar is a Non-Executive Independent Director and was first appointed on Board of KFB on 14-11-2018.

He is a graduate of around 63 years of age, and has a successfully running business of Ornaments in New Delhi for the last 40 years

He is the member of the Audit Committee, the Nomination & Remuneration Committee and the Stakeholders' Relationship Committee of the Board of the Company. He holds 900 Equity Shares of face value of Rs.10/- each in KFB.

By order of the Board

**For KOTHARI FERMENTATION AND BIOCHEM LIMITED**

**Sd/-**

**Kavita Tanwar**

**Company Secretary**

**ACS – 29486**

**Regd. Office:** 16, Community Centre,  
1<sup>st</sup> Floor, Saket, New Delhi – 110 017

**Dated:** 12.08.2019