KOTHARI FERMENTATION AND BIOCHEM LTD.
An ISO 22000 : 2018 & KOSHER Certified Company
Regd. Office : 16, Community Centre, 1st Floor, Saket, New Delhi -110017
TEL.: +91 11 40590944 E-mail : info@kothariyeast.in
Web : www.kothariyeast.in CIN : L72411DL1990PLC042502

September 07, 2026

To,
BSE Limited,
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai-400001.

Ref: Scrip Code No.507474

Sub: Submission of 36th AGM Notice and Annual Report for the Financial Year 2025-26

Dear Sir/Madam,

Pursuant to Regulation 30 & 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable provisions, please find the enclosed Notice convening the 36th AGM of shareholders along with the Annual Report for FY 2025-26 (**Annexure A**), which is being sent to the shareholders through electronic mode.

Event Schedule: 36th Annual General Meeting (AGM):

1	Date/Time	Wednesday, September 30, 2026, at 11:30 A.M. (IST)
2	Mode	Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")
3	Cut-off-Date	Wednesday, September 23, 2026
4	Remote E-Voting	Thursday, September 24, 2026 (9:00 a.m.) (IST) and ends on Tuesday, September 29, 2026 (5:00 p.m.) (IST)

The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-voting facility. The above documents are also uploaded on the website of the Company, i.e., https://www.kothariyeast.in/investors

Kindly take the same on record.
Thanking you,

Yours sincerely,
For Kothari Fermentation and Biochem Limited

Shivani

Kothari Fermentation And Biochem Ltd. Saket New Delhi

Shivani
Company Secretary & Compliance Officer

Enclosed: As above

Annexure A

36th ANNUAL REPORT 2025-26

KOTHARI FERMENTATION AND BIOCHEM LIMITED

KOTHARI FERMENTATION AND BIOCHEM LIMITED

(CIN: L72411DL1990PLC042502)
Regd. Office: 16, Community Centre, First Floor, Saket, New Delhi-110017
Tel: 011-40590944, **Email** – info@kothariyeast.in
Website: www.kothariyeast.in

BOARD OF DIRECTORS

Pramod Kumar Kothari	Chairman and Managing Director
Kavita Devi Kothari	Whole-Time Director
Siddhant Kothari	Whole-Time Director
Hemendra Patsingh Dugar	Non-Executive Independent Director
Piyush Kumar Goel	Non-Executive Independent Director
Varun Kumar	Non-Executive Independent Director

CHIEF FINANCIAL OFFICER
Arun Kumar Sekhani

COMPANY SECRETARY & COMPLIANCE OFFICER
Shivani

BANKERS
Karur Vysya Bank Limited

STATUTORY AUDITOR
Kothari Kuldeep & Co.
Chartered Accountants

SECRETARIAL AUDITOR
M/s Priyanka Saxena & Associates
Company Secretaries

INTERNAL AUDITOR
RADAM & Associates
Chartered Accountants

REGISTERED OFFICE
16, Community Centre, First Floor,
Saket, New Delhi-110017

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

SHARE TRANSFER AGENT
Abhipra Capital Limited
Abhipra Complex, A-387
Dilkhush Industrial Area,
G.T. Karnal Road, Azadpur, Delhi-110033

LISTED AT
BSE Limited (BSE Code- 507474)

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KOTHARI FERMENTATION AND BIOCHEM LIMITED
(CIN: L72411DL1990PLC042502)
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Website: www.kothariyeast.in

NOTICE OF 36th ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Thirty-sixth (36th) Annual General Meeting** of the members of **"Kothari Fermentation and Biochem Limited"** will be held on **Wednesday, the 30th day of September 2026** at 11:30 A.M. through Video Conferencing ("VC") and Other Audio-Visual Means ("OAVM") at the Registered Office of the Company situated at 16, Community Centre, First Floor, Saket, New Delhi-110017, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider, and adopt the audited financial statements of the Company for the financial year ended on March 31, 2026, and the reports of the Board of Directors and Auditors thereon.
2. To approve the appointment of Mr. Pramod Kumar Kothari (00086145), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To approve the revision in the remuneration of Mr. Pramod Kumar Kothari, Chairman and Managing Director of the Company.

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 17(6)(e) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the recommendation of the Nomination and Remuneration Committee and approval and recommendation of the Board of Directors at its meeting held on April 8, 2026, the approval of the members of the Company be and is hereby accorded for revision of remuneration of Mr. Pramod Kumar Kothari (DIN: 00086145) as Chairman and Managing Director of the Company, for the period effective from 1st April, 2026 and ending on 31st March, 2028, being the remaining period of his existing tenure, on the terms and conditions as recommended by the Nomination & Remuneration Committee.

RESOLVED FURTHER THAT the remuneration and terms and conditions as set out below shall be payable to Mr. Pramod Kumar Kothari, subject to and in accordance with the provisions of Section II of Part II of Schedule V to the Companies Act, 2013:

a) Salary: ₹ 6,00,000/- per month during his tenure i.e., up to 31.03.2028.
b) Provision of accommodation or payment of HRA in lieu thereof, subject to maximum of 60% of salary. Expenses on maintenance and furnishing of accommodation including watchmen, servant, gas, electricity and water, shall be borne by the Company.
c) The Company shall provide car with driver and incur all expenses for the same for the Company's business.
d) Mobile phone and Telephone at residence shall be provided for official purpose.
e) Group Medical Policy as per rules of the Company.
f) The Company shall reimburse medical and hospital expenses incurred for self and family members.
g) Reimbursement of leave travel concession as per the rules of the Company.
h) Mr. Pramod Kumar Kothari shall not be entitled to any sitting fee for attending the meeting of the Board of Directors or Committee(s) thereof.

RESOLVED FURTHER THAT notwithstanding anything contained in Sections 197 and 198 of the Companies Act, 2013, where in any financial year during the period from April 1, 2026 to March 31, 2028, the Company has no profits or its profits are inadequate, the aforesaid remuneration shall be paid to Mr. Pramod Kumar Kothari as minimum remuneration, subject to the provisions and conditions specified under Section II of Part II of Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT any remuneration paid or payable to Mr. Pramod Kumar Kothari from April 1, 2026 until approval by the members shall be subject to such approval, and any excess amount paid or any amount not permissible under applicable law shall be refunded to the Company or held in trust for the Company, as applicable.

RESOLVED FURTHER THAT except for the remuneration approved under this resolution, all other terms and conditions relating to the appointment of Mr. Pramod Kumar Kothari as Chairman and Managing Director of the Company, including his tenure up to March 31, 2028, shall remain unchanged.

RESOLVED FURTHER THAT any of the Executive Directors or the Company Secretary of the Company be and is hereby severally authorised to do all such acts, deeds, matters and things and to execute all such documents as may be necessary or expedient to give effect to this resolution."

4. To approve the revision in the remuneration of Mrs. Kavita Devi Kothari, the Whole-Time Director of the Company.

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17(6)(e) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the recommendation of the Nomination and Remuneration Committee and approval and recommendation of the Board of Directors at its meeting held on April 8, 2026, the approval of the members be and is hereby accorded for revision in remuneration of Mrs. Kavita Devi Kothari (DIN: 00120415) as Whole-Time Director of the Company, for the period effective from 1st April, 2026 and ending on 31st March, 2028, being the remaining period of her existing tenure, on the terms and conditions as recommended by the Nomination and Remuneration Committee.

RESOLVED FURTHER THAT the remuneration and terms and conditions as set out below shall be payable to Mrs. Kavita Devi Kothari, subject to and in accordance with the provisions of Section II of Part II of Schedule V to the Companies Act, 2013:

a) Salary: ₹ 5,75,000/- per month during her tenure i.e., up to 31.03.2028.
b) Provision of accommodation or payment of HRA in lieu thereof, subject to maximum of 60% of salary. Expenses on maintenance and furnishing of accommodation including watchmen, servant, gas, electricity and water shall be borne by the Company.
c) The Company shall provide car with driver and incur all expenses for the same for the Company's business.
d) Mobile phone and Telephone at residence shall be provided for official purpose.
e) Group Medical Policy as per rules of the Company.
f) The Company shall reimburse medical and hospital expenses incurred for self and family members.
g) Reimbursement of leave travel concession as per the rules of the Company.
h) The Whole Time Director will not be paid any sitting fee for attending the meeting of the Board of Directors or Committee(s) thereof.

RESOLVED FURTHER THAT notwithstanding anything contained in Sections 197 and 198 of the Companies Act, 2013, where in any financial year during the period from April 1, 2026 to March 31, 2028, the Company has no profits or its profits are inadequate, the aforesaid remuneration shall be paid to Mrs. Kavita Devi Kothari as minimum remuneration, subject to the provisions and conditions specified under Section II of Part II of Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT any remuneration paid or payable to Mrs. Kavita Devi Kothari from April 1, 2026 until approval by the members shall be subject to such approval, and any excess amount paid or any amount not permissible under applicable law shall be refunded to the Company or held in trust for the Company, as applicable.

RESOLVED FURTHER THAT except for the remuneration approved under this resolution, all other terms and conditions relating to the appointment of Mrs. Kavita Devi Kothari as Whole-Time Director of the Company, including her tenure up to March 31, 2028, shall remain unchanged.

RESOLVED FURTHER THAT any of the Executive Directors or the Company Secretary of the Company be and is hereby severally authorised to do all such acts, deeds, matters and things and to execute all such documents as may be necessary or expedient to give effect to this resolution."

By order of the Board
For KOTHARI FERMENTATION AND BIOCHEM LIMITED
Sd/-
Shivani
Company Secretary & Compliance Officer
Membership No: A72631

Date: 13.08.2026
Place: New Delhi
Regd. Office:
16, Community Centre, 1st Floor, Saket,
New Delhi-110017

NOTES

1. Ministry of Corporate Affairs (MCA) vide its General Circular No. 03/2025 dated September 22, 2025 (In continuation with the circulars issued earlier in this regard) ("MCA Circulars"), has allowed conducting the Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) without physical presence of the Members at the common venue. In compliance with the provisions of the Companies Act, 2013 ("Act") read with rules/circulars issued thereunder, and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circulars issued thereunder, the 36th Annual General Meeting ("AGM") of the members will be held through VC/ OAVM. The registered office of the Company shall be deemed to be the venue of the meeting to record the minutes of the proceedings of the 36th AGM.
2. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, as amended ('Act'), setting out material facts concerning the business with respect to Items No. 3 & 4 forms part of this Notice. Additional information, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') and Secretarial Standard-2 on General Meetings, issued by the Institute of Company Secretaries of India, in respect of relevant business at this Annual General Meeting ('Meeting' or 'AGM') is also furnished as Annexure to this Notice.
3. In compliance with the provisions of the Act, SEBI Listing Regulations, and Secretarial Standards on General Meeting and MCA Circulars, the 36th Annual General Meeting of the Company is being held through VC/ OAVM on Wednesday, September 30, 2026, at 11.30 a.m. (IST). The recorded transcripts of the forthcoming AGM shall also be made available on the website of the Company, https://www.kothariyeast.in/investors, in the investor section as soon as possible after the meeting is over.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Company is also providing a live webcast of the proceedings of the AGM through the NSDL e-voting website. The Members will be able to view the proceedings on National Securities Depository Limited's ('NSDL') e-voting website at www.evoting.nsdl.com. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on a first-come, first-served basis. However, this number does not include the large Shareholders, i.e., Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee, and Stakeholders Relationship Committee, Auditors, etc., who are allowed to attend the AGM without restriction.
5. In terms of the aforesaid circulars, since the physical attendance of members has been dispensed with, there is no requirement for the appointment of proxies. Accordingly, the facility of appointment of proxies by members under section 105 of the Act will not be available for the 36th AGM. Hence, the proxy form, attendance slip, and route map of the AGM are not annexed to this notice.
6. The Board of Directors has appointed Ms. Deepika Jain, Practicing Company Secretary (COP No. 25689), as the Scrutinizer to scrutinize the remote e-voting process before the AGM as well as the e-voting process during the AGM fairly and transparently.
7. Corporates/Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the AGM through the VC/OAVM facility. Corporate Members/Institutional Investors (i.e. other than individuals, HUFs, NRIs etc.) who are intending to appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC or OAVM and to vote through remote e-voting are requested to send a certified copy of the Board Resolution of their Company to the Scrutinizer by e-mail at csdeepikajain1012@gmail.com with a copy marked to e-voting@nsdl.com and secretarial@kothariyeast.in. Corporate Members/ Institutional Investors (i.e., other than individuals, HUFs, NRIs, etc.) can also upload their Board Resolution/ Power of Attorney/Authority Letter, etc., by clicking on the "Upload Board Resolution/Authority Letter" displayed under the "e-voting" tab in their login.
8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), Secretarial Standards-2 on General Meetings, the applicable circulars and Regulation 44 of the Listing Regulations, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has agreed with National Securities Depository Limited (NSDL) to facilitate voting through electronic means, as the authorized agency. The facility of casting votes by a member using a remote e-voting system, as well as e-voting on the date of the AGM, will be provided by NSDL.
9. In line with the above circulars issued by MCA, the electronic copy of the Notice of the 36th Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting along with the Annual Report, is being sent to all the members whose email IDs are registered with the Company/Depository Participants for communication purposes. The Notice calling the AGM has also been uploaded on the website of the Company at https://www.kothariyeast.in/investors, as part of the Annual Report for the financial year 2025-26. The Notice can also be accessed from the website of the Stock Exchange, i.e., BSE Ltd, at www.bseindia.com, and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility), i.e., www.nsdl.co.in.

10. The Company is providing a facility for voting through electronic means before the date of the AGM (Remote e-voting) as prescribed by the Companies (Management and Administration) Rules, 2014, and voting through electronic means during the AGM (E-Poll) available for such Members who are attending the Meeting and have not already cast their vote(s) by Remote e-voting. Information and instructions, including details of the User ID and password relating to e-voting, are provided in the Notice separately.
11. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through e-voting (i.e., votes cast during the AGM and votes cast through remote e-voting) and will submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or any other person authorized by him in writing, who shall countersign the same. The results will be announced not later than 2 working days from the conclusion of the AGM. The result declared along with the Scrutinizer's Report shall be forwarded to BSE Limited, where the shares of the Company are listed. The results, along with the Scrutinizer's Report, shall also be placed on the website of NSDL, and will also be displayed on the Company's website at https://www.kothariyeast.in/investors.
12. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. In case of Joint holders attending the meeting, only such Joint holder who is higher in the order of names will be entitled to vote.
13. In compliance with the MCA Circulars and Regulation 36(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Notice of the AGM along with the Annual Report for FY 2025-26 are being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Registrar and Transfer Agent /Depositories. Further, in compliance with Regulation 36(1)(b), a letter providing the web-link, including the exact path, where the Annual Report for the financial year 2025-26 is available, is being sent to those members whose e-mail address is not registered with the Company / Registrar and Transfer Agent/Depositories. The Company shall send the physical copy of the Annual Report FY 2025-26 to those Members who request the same at secretarial@kothariyeast.in, mentioning their Folio No./DP ID and Client ID.
14. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/ CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/ OIAE_IAD-1/P/ CIR/2023/135 dated August 04, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE_ IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on December 28, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for the resolution of disputes arising in the Indian Securities Market. Pursuant to the above-mentioned circulars, after exhausting the option to resolve their grievances with the RTA/Company directly and through the existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (https://smartodr.in/login), and the same can also be accessed through the Company's website https://www.kothariyeast.in/investors.
15. In terms of SEBI Master Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/91 dated June 23, 2025, and SEBI Circular No. HO/38/13/(3)2026-MIRSD-POD/I/3763/2026 dated January 30, 2026, and pursuant to the SEBI Listing Regulations, transfer of securities of listed companies held in physical form shall be effected only in demat mode. Further, SEBI has also mandated that listed companies shall, while processing investor service requests pertaining to the issue of duplicate share certificates, claim from Unclaimed Suspense Account, renewal/ exchange of share certificate, endorsement, subdivision / splitting/consolidation of share certificates, transmission, transposition, etc., issue securities only in demat mode. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the website of the Company's RTA, Abhipra Capital Limited, at https://www.abhipra.com/. In view of this, as also to eliminate all risks associated with physical shares and to get the inherent benefits of dematerialization, shareholders holding shares in physical form are advised to avail of the facility of dematerialization. Members can contact the Company's Registrar and Transfer Agent, Abhipra Capital Limited ("Registrar" or "RTA") at rta@abhipra.com for assistance in this regard.
16. Pursuant to SEBI Circular HO/38/13/11(2)2026-MIRSD-POD/I/3750/2026 dated January 30, 2026, another special window has been opened for re-lodgement of transfer requests for physical shares that were originally lodged prior to April 01, 2019, and were rejected/returned/not attended to due to deficiencies. This window will remain open from February 05, 2026, to February 04, 2027. During this period, eligible shareholders may re-lodge such shares for transfer. Please note that such transfers will be processed only in dematerialized mode. Shareholders are encouraged to take advantage of this opportunity and reach out to the Company's RTA for further assistance. The Company is publishing the notices in 'Financial Express' (English) and 'Jansatta' (Regional language) once every two months during one year period commencing from the date of said circular, informing shareholders about the special window for re-lodgement of physical share transfer requests.
17. As per the provisions of Section 72 of the Act, the facility for making a nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nominations are requested to register the same by submitting Form No. SH- 13. If a member desires to cancel the earlier nomination and record a fresh nomination, he may submit the same in Form No. SH-14. Members who are either not desiring to register for Nomination or would want to opt-out,

are requested to fill out and submit Form No. ISR-3. The said forms can be downloaded from the RTA's website at https://www.abhipra.com/ in Resources, Downloads, KYC Formats for KYC. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the RTA in case the shares are held in physical form, quoting their folio no.

18. SEBI vide Master Circular No. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated February 06, 2026 and other applicable provisions of its circular dated, November 03, 2021, December 14, 2021, March 16, 2023 and June 10, 2024 has mandated shareholders holding securities in physical form to register/ change /update KYC details by furnishing PAN, contact details (Address with PIN, Mobile number and Email address), Bank account details (bank name, branch name, account number and IFS code) and Specimen signature before they could avail any investor service. The members are requested to submit the duly filled, signed Form ISR-1 for Registration / Change / Updation in the KYC details, by e-mail from their registered e-mail address to secretarial@kothariyeast.in and rta@abhipra.com or by submitting a physical copy with their folio no. thereof to the RTA, Abhipra Capital Limited, Ground Floor- Abhipra Complex, Dilkhush Industrial Area, A-384, G.T. Karnal Road, Azadpur, Delhi-110033. A specific notice dated September 5, 2025, was sent to all shareholders holding shares in physical form, and annual reminders are also being sent to such shareholders for updating their KYC details. The said notice is available on the Company's website at https://www.kothariyeast.in/investors.
19. In case shares are held in dematerialised form, the members are requested to submit all requests for Registration of / Change in / Updation in the KYC details, by their registered e-mail address, to their Depository Participants.
20. The Register of Members and Share Transfer Books will remain closed from Wednesday, September 23, 2026, to Wednesday, September 30, 2026 (both days inclusive) for the Annual General Meeting.
21. During the AGM, members may access the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the accompanying Notice and the Explanatory Statement will be available for inspection on the website of the Company i.e. https://www.kothariyeast.in/investors.
22. Members holding shares in physical form, in identical order of names, in more than one folio, are requested to send to the Company or RTA the details of such folios together with the share certificates and self-attested copies of the PAN card of the holders for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making the requisite changes. The consolidation will be processed in demat form.
23. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or unfortunate demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statements of holdings should be obtained from the concerned Depository Participant, and holdings should be verified.
24. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM are requested to write to the Company on or before September 21, 2026, through e-mail on secretarial@kothariyeast.in. The same will be replied to by the Company suitably during the AGM. Members who would like to express their views/ ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered email address mentioning their names, DP ID, and Client ID/folio number, PAN, and mobile number at secretarial@kothariyeast.in on or before September 21, 2026 (5.00 p.m. IST). Only those Members who have pre-registered themselves as speaker on the dedicated email ID will be allowed to express their views/ask questions during the AGM.

INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING THE GENERAL MEETING ARE AS UNDER: -

The remote e-voting period begins on Thursday, September 24, 2026, at 9:00 A.M. and ends on Tuesday, September 29, 2026, at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date), i.e., 23rd September, 2026, may cast their vote electronically. The voting rights of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 23rd September, 2026.

The details of the process and manner for remote e-voting are explained below:

Process to vote electronically using the NSDL e-Voting system:

The way to vote electronically on the NSDL e-Voting system consists of "Two Steps," which are mentioned below:

Step 1: Access to the NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

In terms of the SEBI circular dated December 9, 2020, on the e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts to access the e-Voting facility.

The login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login, you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client ID, PAN No., Verification code, and generate an OTP. Enter the OTP received on your registered email ID/mobile number and click on login. After successful authentication, you will be redirected to the NSDL Depository site, where you can see the e-Voting page. Click on the company name or **e-Voting service provider, i.e., NSDL**, and you will be redirected to the e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining a virtual meeting & voting during the meeting. 2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile device. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. 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. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site, wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download the NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants.	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on the e-Voting option, you will be re-directed to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use the Forget User ID and Forget Password option available at the above-mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to 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 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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. Password details for shareholders other than Individual shareholders 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 to 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 in 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, please follow steps mentioned below in the process for those shareholders whose email ids are not registered.
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 .
   b. **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on 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.com by mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
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: Cast your vote electronically and join General Meeting on NSDL e-Voting system. How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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 "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. 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 csdeepikajain1012@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
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 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 or call on.: 022 - 4886 7000 or send a request to **Ms. Pallavi Mhatre**, Assistant Vice President, NSDL at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user ID and password and registration of e mail IDs for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), and AADHAAR (self-attested scanned copy of Aadhar Card) by email to info@kothariyeast.in and rta@abhipra.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) to info@kothariyeast.in and rta@abhipra.com. If you are Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A), i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
3. Alternatively, shareholder/members may send a request to evoting@nsdl.com for procuring a user ID and password for e-voting by providing the above-mentioned documents.
4. In terms of the SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access the e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is the same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further members will be required to allow Camera and use internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective networks. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at info@kothariyeast.in. The same will be replied by the company suitably.
6. The Speaker Registration will be open from Monday, September 7, 2026 to Monday, September 21, 2026 (5.00 p.m. IST). Only those Members who have pre-registered themselves by sending a request from their registered email address mentioning their names, DP ID, and Client ID/folio number, PAN, and mobile number at secretarial@kothariyeast.in will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

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

ITEM NOS. 3 AND 4

The members of the Company, at the Annual General Meeting held on September 24, 2022, approved the re-appointment of Mr. Pramod Kumar Kothari (DIN: 00086145) as Chairman and Managing Director and Mrs. Kavita Devi Kothari (DIN: 00120415) as Whole-Time Director for a period of five years from April 1, 2023 to March 31, 2028. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on April 8, 2026 approved the revision in their remuneration for the period from April 1, 2026 to March 31, 2028, subject to members' approval. Pursuant to the applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, approval of the members is being sought by way of Special Resolutions, including for payment of minimum remuneration in case of no profits or inadequate profits. The existing tenure and other terms of their appointment shall remain unchanged. The proposed remuneration is as stated in the respective resolutions under Item Nos. 3 and 4.

Particulars	Mr. Pramod Kumar Kothari	Mrs. Kavita Devi Kothari
Designation	Chairman and Managing Director	Whole-Time Director
DIN	00086145	00120415
Existing tenure	April 1, 2023 to March 31, 2028	April 1, 2023 to March 31, 2028
Period of proposed revision	April 1, 2026 to March 31, 2028	April 1, 2026 to March 31, 2028
Promoter/Promoter Group	Member of Promoter/Promoter Group	Member of Promoter/Promoter Group
Nature of industry	Manufacture and sale of yeast and allied products since December 1993	
Background details	Promoter Director; associated with the Company since inception; son of Late Shri Moti Lal Kothari, founder of the Company; B.Tech. (Electronics); more than 32 years' experience in business, trade, industry, manufacturing operations and corporate management.	Promoter Director; associated with the Company since April 1, 2013; graduate; considerable experience in finance, marketing, business planning, manufacturing operations and corporate management.

Particulars	Mr. Pramod Kumar Kothari	Mrs. Kavita Devi Kothari
Past remuneration – FY 2025–26	₹48 lakh p.a.	₹45 lakh p.a.
Job profile and suitability	Overall management and supervision, business strategy, operations, expansion, financial performance and stakeholder relationships; considered suitable based on experience and contribution for the position.	Marketing, business development, strategic planning and operations of the Company. Considered suitable based on experience and contribution for the position.
Remuneration proposed	As stated in Item No. 3 of the Notice	As stated in Item No. 4 of the Notice
Comparative remuneration profile	Reasonable and commensurate with duties, responsibilities, qualifications, experience, size and nature of the Company and comparable industry positions.	Reasonable and commensurate with duties, responsibilities, qualifications, experience, size and nature of the Company and comparable industry positions.
Pecuniary relationship / relationship with managerial personnel or Directors	Except remuneration, shareholding and transactions disclosed in the financial statements, no other pecuniary relationship. Husband of Mrs. Kavita Devi Kothari and father of Mr. Siddhant Kothari.	Except remuneration, shareholding and transactions disclosed in the financial statements, no other pecuniary relationship. Wife of Mr. Pramod Kumar Kothari and mother of Mr. Siddhant Kothari.
Financial performance	FY 2025–26 / FY 2024–25: Turnover – ₹11,213.19 lakh / ₹11,423.10 lakh; PBT – (₹346.23) lakh / ₹193.86 lakh; PAT – (₹298.93) lakh / ₹80.99 lakh.	
Reasons for loss/inadequate profits	Challenging market conditions; increase in raw material/input costs; higher finance and depreciation costs; operating costs and competitive pricing pressures.	
Steps taken/proposed for improvement	Cost optimisation; operational efficiency and capacity utilisation; expansion of customer/distribution base; new products and markets; improved working-capital management, sales realisation and operating margins.	
Expected increase in productivity/profits	Progressive improvement in revenue, capacity utilisation and operating margins during FY 2026–27 and FY 2027–28, subject to prevailing market and economic conditions.	
Default in payment of dues	The Company has not committed any default in payment of dues to any bank, public financial institution, non-convertible debenture holder or other secured creditor.	
Board's recommendation	The Board recommends the Special Resolution under Item No. 3 for approval of the members.	The Board recommends the Special Resolution under Item No. 4 for approval of the members.
Other terms of appointment	Existing appointment and all other terms and conditions remain unchanged.	Existing appointment and all other terms and conditions remain unchanged.

Note: The detailed remuneration payable to Mr. Pramod Kumar Kothari and Mrs. Kavita Devi Kothari is set out in the respective resolutions under Item Nos. 3 and 4 of the Notice.

The concerned Directors and Mr Siddhant Kothari, son of Mr Pramod Kothari and Mrs Kavita Devi Kothari, may be deemed concerned or interested in Item Nos. 3 and 4, as applicable, to the extent of their relationship with the respective Directors, remuneration payable and shareholding, if any.

Except as stated above, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolutions under Item Nos. 3 and 4.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL MEETING FOR ITEM NO:2

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

1. **Mr. Pramod Kumar Kothari (00086145)**

   Mr. Pramod Kumar Kothari is presently the Chairman and Managing Director of the Company. He 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 its incorporation. Mr. Kothari, aged about 61 years, is the son of Late Shri Moti Lal Kothari, the founder of Kothari Fermentation & Biochem Limited (KFBL). He is a qualified Engineer {B. Tech – (Electronics)} and has vast experience in Business, Trade & Industry for over 36 years. He looks after technical and legal functions and overall management of the Company. His strong entrepreneurial skills, as well as an undying commitment and belief in his abilities, have been instrumental in bringing KFBL to its present position. He is a member of the Stakeholders Relationship Committee of the Board of the Company and holds 7,14,200 Equity Shares of face value of ₹ 10/- each, constituting around 4.76% of the total paid-up share capital of the Company. His appointment is liable to retire by rotation, and his re-appointment would not constitute a break in his tenure as Chairman & Managing Director of the Company.

   He is also a Director in Chaudhry Brothers Traders and Builders Private Limited and Kothari Thermoplast Private Limited but does not hold membership of any committees of the Board of such other Company. The disclosure of relationships between Directors inter-se is separately provided later in the report on Corporate Governance.

By order of the Board
For KOTHARI FERMENTATION AND BIOCHEM LIMITED
Sd/-
Shivani
Company Secretary & Compliance Officer
Membership No: A72631

Date: 13.08.2026
Place: New Delhi
Regd. Office:
16, Community Centre, 1st Floor, Saket,
New Delhi-110017

DIRECTORS' REPORT

Dear Members,

Your directors are pleased to present the 36th (Thirty-Sixth) Annual Report on the business and operations of Kothari Fermentation and Biochem Limited ("the Company"), together with the Audited Financial Statements for the financial year ended March 31, 2026.

1. FINANCIAL HIGHLIGHTS

(₹ in lakhs)

Particulars	2025-26	2024-25
Turnover	11,213.19	11,423.10
Profit before Finance Charges and Depreciation (PBDIT)	723.94	1,196.51
Finance Charges	369.93	358.62
Depreciation	700.24	644.03
Profit/(Loss) before Tax	(346.23)	193.86
Current Tax	–	30.19
Deferred Tax	(47.30)	82.68
Net Profit/(Loss) after Tax	(298.93)	80.99

2. BUSINESS OPERATIONS AND STATE OF THE COMPANY'S AFFAIRS

During the year under review, the Company achieved production of 16,102 MT as compared to 15,280 MT in the previous year, recording higher production by 5.38% compared to the previous year. The turnover of the Company was ₹11,213.19 lakhs during the financial year 2025-26 as compared to ₹11,423.10 lakhs during the previous financial year, representing a marginal reduction of 1.84%. The Company incurred a net loss after tax of ₹298.93 lakhs during the financial year 2025-26 as against a net profit after tax of ₹80.99 lakhs during the financial year 2024-25.

The operational performance of the Company during the year and its future outlook are comprehensively covered in the Management Discussion and Analysis Report, which forms a separate section of the Annual Report.

There was no change in the nature of the business of the Company during the year under review.

3. DIVIDEND AND TRANSFER TO RESERVES

In view of the financial performance of the Company, the Board of Directors has not recommended any dividend for the financial year 2025-26. No amount is proposed to be transferred to the reserves. Further, no amount was outstanding in the Unpaid Dividend Account as at March 31, 2026.

4. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Retirement by Rotation

In accordance with the Articles of Association of the Company and Section 152(6) of the Companies Act, 2013 ("the Act"), Mr. Pramod Kumar Kothari (DIN: 00086145), Chairman and Managing Director of the Company, is liable to retire by rotation and, being eligible, has offered himself for re-appointment at the ensuing Annual General Meeting. His retirement and subsequent re-appointment shall not constitute a break in his tenure of service as Managing Director of the Company.

Changes in Directors and Key Managerial Personnel

The following changes took place in the Board of Directors and Key Managerial Personnel of the Company during the financial year ended March 31, 2026:

S. No.	Name	DIN/ Membership No.	Designation	Nature of Change	Effective Date
1.	Dr. Rajiv Agarwal	07079724	Independent Director	Resignation	August 13, 2025
2.	Mr. Varun Kumar	05202005	Independent Director	Appointed as an Additional Director in the Independent category and subsequently appointed as an Independent Director with the approval of the Members	As Additional Director on August 13, 2025; Members' approval on September 30, 2025

S. No.	Name	DIN/ Membership No.	Designation	Nature of Change	Effective Date
3.	Ms. Shivani Kamra	A72631	Company Secretary and Compliance Officer	Appointment	April 1, 2025
4.	Mrs. Silky Gupta	A57285	Company Secretary and Compliance Officer	Resignation	April 1, 2025

The Company has made the requisite statutory filings in respect of the above changes in accordance with the applicable provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

A brief profile of Mr. Pramod Kumar Kothari, including the nature of his expertise in specific functional areas and the names of the entities in which he holds directorships, as required under the SEBI Listing Regulations and Secretarial Standard on General Meetings, is provided in the Notice convening the ensuing Annual General Meeting. The Board recommends his re-appointment.

5. INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company has in place internal financial controls commensurate with its size, scale and complexity of operations. The internal control framework includes policies and procedures, information technology systems, delegation of authority, segregation of duties, internal audit and management review mechanisms. The controls were tested during the year under review and no reportable material weakness in their design or operation was observed. The management periodically reviews the controls to ensure that they remain adequate and effective in light of changes in the business environment.

6. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Directors, to the best of their knowledge and belief, confirm that:

i. in the preparation of the annual accounts for the financial year ended March 31, 2026, the applicable accounting standards had been followed and there were no material departures requiring explanation;

ii. the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2026 and of the loss of the Company for the year ended on that date;

iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the Directors had prepared the annual accounts for the financial year ended March 31, 2026 on a going-concern basis;

v. the Directors had laid down internal financial controls to be followed by the Company and such internal financial controls were adequate and operating effectively; and

vi. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

7. CERTIFICATIONS

The Company's food safety management system was certified under ISO 22000:2018 on December 9, 2024. Further, the Company holds a valid Food Safety and Standards Authority of India (FSSAI) License, issued under the provisions of the Food Safety and Standards Act, 2006. The license reflects the Company's commitment to maintaining high standards of food safety, quality, and regulatory compliance.

8. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts, arrangements and transactions entered into by the Company with related parties during the year under review were in the ordinary course of business and on an arm's-length basis. The Company did not enter into any materially significant related-party transaction with Promoters, Directors, Key Managerial Personnel or other designated persons that may have had a potential conflict with the interests of the Company at large.

Accordingly, there were no transactions required to be reported in Form AOC-2. Details of related-party transactions are disclosed in Note No. 34 forming part of the financial statements in accordance with the applicable accounting standards, the Act and the SEBI Listing Regulations.

9. AUDITORS AND AUDITORS' REPORTS

A. Statutory Auditors

Pursuant to Section 139 of the Act, the Members appointed M/s Kothari Kuldeep and Co., Chartered Accountants, as Statutory Auditors of the Company for a term of five consecutive years from the conclusion of the 32nd Annual General Meeting until the conclusion of the 37th Annual General Meeting to be held in 2027. Accordingly, no further action is required in this regard at the ensuing Annual General Meeting.

The notes to the financial statements are self-explanatory. The Statutory Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer. Further, no fraud was reported by the Statutory Auditors under Section 143(12) of the Act during the financial year 2025-26.

B. Internal Auditor

Pursuant to Section 138 of the Act, M/s RADAM & Associates, Chartered Accountants, were appointed by the Board of Directors, upon the recommendation of the Audit Committee, as Internal Auditors of the Company for the financial year 2025-26. The scope and coverage of the internal audit were approved and periodically reviewed by the Audit Committee.

C. Secretarial Auditor and Secretarial Standards

Pursuant to Section 204 of the Act, the rules made thereunder and Regulation 24A of the SEBI Listing Regulations, M/s Priyanka Saxena & Associates, Practising Company Secretaries, were appointed as Secretarial Auditors of the Company for a term of five years from the conclusion of the 35th Annual General Meeting until the conclusion of the 40th Annual General Meeting.

The Secretarial Audit Report for the financial year ended March 31, 2026 forms part of this Report as Annexure A. The Report does not contain any qualification, reservation, adverse remark or disclaimer requiring an explanation by the Board. Further, no fraud was reported by the Secretarial Auditor under Section 143(12), read with Section 143(14), of the Act during the financial year 2025-26.

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India during the year under review.

10. CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance and has complied with the applicable corporate governance requirements prescribed under the SEBI Listing Regulations. The quarterly corporate governance reports required under Regulation 27(2) were filed with the Stock Exchange within the prescribed timelines. Pursuant to Regulation 34(3), read with Schedule V of the SEBI Listing Regulations, a separate Corporate Governance Report, together with the requisite certificate on compliance, forms part of the Annual Report.

11. CORPORATE SOCIAL RESPONSIBILITY

Based on the audited financial statements for the immediately preceding financial year and the applicable provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Corporate Social Responsibility provisions were not applicable to the Company during the financial year 2025-26. Accordingly, the Company was not required to constitute a Corporate Social Responsibility Committee or incur expenditure on Corporate Social Responsibility activities during the year under review.

12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, as required under Regulation 34(2)(e) read with Schedule V of the SEBI Listing Regulations, is presented as a separate section forming part of the Annual Report.

13. VIGIL MECHANISM AND WHISTLE-BLOWER POLICY

Pursuant to Section 177(9) of the Act, the rules made thereunder and Regulation 22 of the SEBI Listing Regulations, the Company has established a Vigil Mechanism and formulated a Whistle-Blower Policy for Directors and employees to report genuine concerns. The mechanism provides adequate safeguards against victimisation and direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. Further details are provided in the Corporate Governance Report. No complaint was received under the Vigil Mechanism during the financial year 2025-26.

14. PREVENTION OF SEXUAL HARASSMENT AT THE WORKPLACE

The Company has adopted a policy for the prevention, prohibition and redressal of sexual harassment at the workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder. The Company has constituted an Internal Committee in accordance with the said Act. No complaint of sexual harassment was received during the year. Further disclosures have been made in the Corporate Governance Reports.

15. RISK MANAGEMENT

The Company has established a risk-management framework to identify, assess, monitor and mitigate risks that may adversely affect its operations and to identify opportunities that may support sustainable growth. The Company has formulated a Risk Management Policy and the processes and procedures for implementation of the policy are periodically reviewed. The policy is available on the Company's website at: https://www.kothariyeast.in/investor-files-v2/policies/risk_management_policies.pdf

The Company's assets are adequately insured against risks considered necessary by the management, and the insurance requirements are reviewed periodically.

16. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Board has adopted a Nomination and Remuneration Policy, as recommended by the Nomination and Remuneration Committee, in accordance with Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. The Policy sets out, inter alia, the criteria for determining qualifications, positive attributes and independence of Directors and the principles governing the remuneration of Directors, Key Managerial Personnel and Senior Management. The relevant disclosures are provided in the Corporate Governance Report. The Policy is available on the Company's website at: https://www.kothariyeast.in/investor-files-v2/policies/nomination-remuneraion-%26-board-diversity.pdf. The particulars of remuneration required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are set out in Annexure B to this Report.

17. ANNUAL PERFORMANCE EVALUATION

In accordance with the criteria and manner of evaluation specified by the Nomination and Remuneration Committee, the Board carried out an annual evaluation of its own performance, the performance of its Committees and the performance of individual Directors. The Independent Directors evaluated the performance of the Chairman, the Non-Independent Directors and the Board as a whole. The performance of each Committee was evaluated by the Board based on the evaluation reports received from the respective Committees. The outcome of the evaluation process was discussed by the Board, and appropriate feedback was provided.

18. OTHER STATUTORY DISCLOSURES

a) Number of Board and Committee Meetings

During the year under review, ten meetings of the Board of Directors, seven meetings of the Audit Committee, one meeting of the Stakeholders' Relationship Committee and three meetings of the Nomination and Remuneration Committee were convened and held. Further details, including attendance, are provided in the Corporate Governance Report.

Pursuant to Clause VII(1) of Schedule IV to the Act and Regulation 25(3) of the SEBI Listing Regulations, the Independent Directors held a separate meeting on February 13, 2026.

b) Deposits

During the year under review, the Company did not accept any deposit covered under Chapter V of the Act.

c) Share Capital and Employee Benefit Securities

There was no change in the issued, subscribed and paid-up share capital of the Company during the year under review. The Company did not issue equity shares with differential rights, sweat equity shares or shares under any employee stock option scheme during the year. Further, no voting rights were exercised directly or indirectly by employees in respect of shares held under any scheme, and no shares were held by a trustee for the benefit of employees.

d) Audit Committee

The Company has duly constituted an Audit Committee, whose detailed composition and powers are provided in the Corporate Governance Report. There were no recommendations of the Audit Committee which have not been accepted by the Board during the financial year.

e) Annual Return

Pursuant to Sections 92(3) and 134(3)(a) of the Act, the draft Annual Return of the Company for the financial year ended March 31, 2026, in Form MGT-7, is available on the website of the Company at https://www.kothariyeast.in/investor-folders/annual-reports

f) Cost Records

Based on the assessment of the products manufactured by the Company and the applicable thresholds, the maintenance of cost records as specified by the Central Government under Section 148(1) of the Act is not applicable to the Company. The Company nevertheless maintains cost information and records for internal control and strategic-management purposes.

g) Significant and Material Orders

No significant or material order was passed by any regulator, court or tribunal during the year under review that would impact the going-concern status of the Company or its future operations.

h) Material Changes and Commitments

There were no material changes or commitments affecting the financial position of the Company between the end of the financial year and the date of this Report.

i) Loans, Guarantees, Securities and Investments

During the financial year 2025-26, the Company did not grant any loan, give any guarantee, provide any security or make any investment covered under Section 186 of the Act.

j) Subsidiaries, Associates and Joint Ventures

The Company does not have any subsidiary, associate company or joint venture. Further, no entity became or ceased to be a subsidiary, associate company or joint venture of the Company during the year under review.

k) Proceedings under the Insolvency and Bankruptcy Code, 2016

During the year under review, no application was made, and no proceeding was pending against the Company under the Insolvency and Bankruptcy Code, 2016.

l) One-Time Settlement with Banks or Financial Institutions

During the year under review, the Company did not enter into any one-time settlement with any bank or financial institution. Accordingly, the disclosure relating to the difference between the valuation undertaken at the time of one-time settlement and the valuation undertaken while availing loans from banks or financial institutions is not applicable.

m) Compliance with the Maternity Benefit Act, 1961

The Company has complied with the applicable provisions of the Maternity Benefit Act, 1961. Eligible women employees were extended the statutory benefits prescribed under the said Act, as applicable.

n) Declaration by Independent Directors

The Company has received declarations from all Independent Directors confirming that they meet the criteria of independence prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and that they have complied with the requirements of Regulation 25(8) of the SEBI Listing Regulations. The Independent Directors have also confirmed that they are not aware of any circumstance or situation that exists or may reasonably be anticipated that could impair or impact their ability to discharge their duties with objective independent judgement and without any external influence.

o) Integrity, Expertise and Proficiency of Independent Directors

In the opinion of the Board, the Independent Directors possess the requisite integrity, expertise, experience and proficiency required for the effective discharge of their duties.

p) Commission from Holding or Subsidiary Companies

The Company does not have any holding or subsidiary company. Accordingly, the disclosure under Section 197(14) of the Act is not applicable.

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is set out in Annexure C to this Report.

ACKNOWLEDGEMENT

The Board of Directors places on record its sincere appreciation for the continued support and confidence of the Members of the Company. The Board also acknowledges the dedication and cooperation of the employees at all levels, which have been a source of strength to the Company.

The Directors further express their gratitude for the continued support, guidance and cooperation extended by the Company's customers, auditors, legal advisers, consultants, bankers, dealers, vendors, government authorities and other stakeholders.

For and on behalf of the Board of Directors
Sd/-
Pramod Kumar Kothari
Chairman and Managing Director
DIN: 00086145

Date: 13.08.2026
Place: New Delhi

ANNEXURE A

FORM NO. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
M/s KOTHARI FERMENTATION AND BIOCHEM LIMITED
CIN: L72411DL1990PLC042502
16, COMMUNITY CENTRE, FIRST FLOOR
SAKET, NEW DELHI 110017

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s KOTHARI FERMENTATION AND BIOCHEM LIMITED** (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the **M/s KOTHARI FERMENTATION AND BIOCHEM LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2026**, complied with the statutory provisions listed hereunder, and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

PARA ONE

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s KOTHARI FERMENTATION AND BIOCHEM LIMITED** ("the Company") for the financial year ended on **31st March, 2026** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable)**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014(since repealed) and SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021; **(Not applicable);**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (since repealed) and SEBI (Issue and Listing of Non-convertible Securities) Regulations, 2021; **(Not applicable)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients; **(Not applicable)**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable)** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable)**

(vi) We have relied on the representation made by the company and its officers for systems and mechanisms formed by the company for compliance under other Acts, Laws and regulations as applicable specifically to the company.

PARA SECOND

We have also examined compliance with the applicable clauses of the following:

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(ii) Secretarial Standards issued by The Institute of Company Secretaries of India, with respect to board and general meetings.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent they were applicable.

WE FURTHER REPORT THAT

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors. During the period under review, there were changes in the composition of the Board of Directors of the Company, including appointment and resignation of Independent Director(s). The said changes in the composition of the Board of Directors were carried out in compliance with the applicable provisions of the Companies Act, 2013 and the rules made thereunder.

Further, during the period under review, Ms. Shivani Kamra was appointed as the Company Secretary and Key Managerial Personnel of the Company with effect from 01st April, 2025, in place of Ms. Silky Gupta, who resigned from the office of Company Secretary and Key Managerial Personnel of the Company. The aforesaid appointment and resignation were made in accordance with the applicable provisions of the Companies Act, 2013 and the rules made thereunder.

Adequate notice was given to all directors to schedule the Board Meetings at seven days in advance, except in respect of the Board Meeting convened at shorter notice during the period under review. The requisite consent of all the Directors was obtained for convening the said Board Meeting at shorter notice.

On examination of the minutes of the meetings of the Board of Directors and Committees thereof, it was ascertained that the decisions were carried through with the requisite majority and the dissenting views, wherever expressed, were duly captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there was no specific event/action which has a major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines and standards, except for the changes in the composition of the Board of Directors as reported hereinabove.

For **PRIYANKA SAXENA & ASSOCIATES**
Company Secretaries
Sd/-
Priyanka Saxena
(Proprietor)
Mem. No. 8959
CP. No. 10439
PR No.: 3307/2023
UDIN: F008959H001075521

Place: New Delhi
Date: 11.08.2026

Note: This report is to be read with our letter, which is annexed as **'ANNEXURE A'** and forms an integral part of this report.

'ANNEXURE A'

To,
The Members,
M/s KOTHARI FERMENTATION AND BIOCHEM LIMITED
CIN: L72411DL1990PLC042502
16, COMMUNITY CENTRE, FIRST FLOOR
SAKET, NEW DELHI 110017

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was carried out on a test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained Management representations regarding compliance with applicable laws, rules and regulations and the occurrence of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, and standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For PRIYANKA SAXENA & ASSOCIATES
Company Secretaries
Sd/-
Priyanka Saxena
(Proprietor)
Mem. No. 8959
CP. No. 10439
PR No.: 3307/2023
UDIN: F008959H001075521

Place: New Delhi
Date: 11.08.2026

ANNEXURE B

PARTICULARS OF REMUNERATION

The information required under Sub-section 12 of Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as follows:

a) No remuneration is paid to Non-Executive Directors. The Ratio of the Remuneration to the median remuneration of the Employees of the Company for the financial year was 10.40 in respect of Mr. Pramod Kumar Kothari, 9.75 in respect of Mrs. Kavita Devi Kothari, and 3.12 in respect of Mr. Siddhant Kothari.

b) There is a percentage increase in remuneration of Mr. Siddhant Kothari by 3.60%, Chief Financial Officer by 7.51% and a decrease of 0.01% in case of the Company Secretary & Compliance Officer of the Company in the financial year. Further, there is no change in the remuneration of Mr. Pramod Kumar Kothari and Mrs. Kavita Devi Kothari.

c) The percentage increase in the median remuneration of employees during the financial year was 3.35%.

d) The number of permanent employees on the rolls of the Company as at March 31, 2026 was 208.

e) The average increase in remuneration of employees other than managerial personnel during the financial year was 4.52%, while the increase in managerial remuneration was 0.47%. The increase was determined based on individual performance, market conditions and the Company's remuneration framework.

f) The Company affirms that the remuneration paid during the year was in accordance with the Nomination and Remuneration Policy of the Company.

The particulars of the top ten employees in terms of remuneration drawn and of employees covered by the remuneration thresholds prescribed under Rule 5(2), together with the particulars required under Rule 5(3), are given below, as per payroll and human-resources records.

Employee Name	Designation	Qualification and Experience	Age in years	Nature of Employment	Remuneration ₹ in Lakhs	% Equity Held & Relationship, if any
Mr. Rajan S	General Manager-Technical	Bachelor of Technology (Mechanical)	64	Permanent	21.07	NA
Mr. Pradeep Kumar Jain	General Manager-Production	Bachelor of Science	59	Permanent	19.67	NA
Mr. Rohit Maurya	Deputy Manager-Maintenance	Bachelor of Technology	35	Permanent	12.20	NA
Mr. Om Prakash Bhatia	Head- Sales & Supply	Bachelor of Science in Agriculture	70	Permanent	11.88	NA
Mr. Pandi Ramprasad	Assistant Manager-Instrumental	Bachelor of Technology	34	Permanent	11.13	NA
Mr. Sarvodaya Kumar	Joint Manager-R&D	Bachelor of Science	55	Permanent	11.07	NA
Mr. Rajat Rahi	Joint Manager- ETP & Admission	Bachelor of Science	51	Permanent	10.66	NA
Mr. Sanjay Kumar	Joint Manager-Production	Master of Science	49	Permanent	10.63	NA
Mr. Arun Kumar Sekhani	Chief Financial Officer	C.A. (inter) & Bachelor of Commerce (Hons)	48	Permanent	10.52	NA
Mr. Sanjay Sankhala	Deputy Manager-Production	Bachelor of Science	46	Permanent	10.15	NA

ANNEXURE C

INFORMATION UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

I. CONSERVATION OF ENERGY

(a) Power and fuel consumption:

Particulars		2025-26	2024-25
1.	Electricity – Units consumed (in lakhs)	189.32	200.52
	Electricity – Total amount (₹ in lakhs)	1,417.58	1,613.35
	Electricity – Average rate per unit (₹)	7.49	8.04
2.	HSD – Quantity (litres)	61,100	87,340
	HSD – Total amount (₹ in lakhs)	54.08	80.89
	HSD – Average rate per litre (₹)	88.51	92.62
3.	Husk – Quantity (MT)	18,911	18,747
	Husk – Total amount (₹ in lakhs)	1,208.41	1,132.47
	Husk – Average rate per MT (₹)	6,390	6,041

(b) The Company has introduced alternate renewable and agro-based energy resources for conservation of energy, reducing consumption of thermal power, and overall reduction of energy costs.

(c) The Company has undertaken various measures for energy efficiency and conservation from time to time.

II. TECHNOLOGY ABSORPTION

The Company continued its research and development initiatives and process-improvement efforts to maintain product quality, improve operational efficiency and support the development of yeast products. The initiatives supported consistency in product quality, process optimisation and improved competitiveness. The Company did not import any technology during the preceding three financial years. **Expenditure on Research and Development:**

Particulars	2025-26	2024-25
Capital expenditure	Nil	Nil
Recurring expenditure	62.81	49.34
Total R&D expenditure	62.81	49.34
Total R&D expenditure as a percentage of turnover	0.56%	0.46%

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	2025-26	2024-25
Foreign exchange earnings (₹ in lakhs)	Nil	180.50
Foreign exchange outgo (₹ in lakhs)	16.74	45.63

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management of Kothari Fermentation and Biochem Limited is pleased to present its 24th Management Discussion and Analysis Report covering its overall performance and outlook.

Your Company is one of the largest manufacturers of Yeast and its derivatives in India. We manufacture various types of Yeast, e.g., Baker's Yeast (Instant Dry Yeast), Nutritional Yeast (Inactive Dry Yeast), Feed Yeast (Live Yeast & MOS), Seasoning Yeast (Yeast Extract Powder), and Distiller Yeast (Ethanol & Potable Alcohol Yeast). Yeast is used in various end-use applications in the food, Distillery, Feed, Pharmaceuticals, and other Biotechnology sectors.

INDUSTRY STRUCTURE AND DEVELOPMENT

Global Market

According to IMARC Group, the global yeast market size reached approximately USD 8.3 billion in 2025 and is expected to reach USD 14.4 billion by 2034, exhibiting a CAGR of 6.10% during 2026-2034. The growing demand for bioethanol as a cleaner energy source, rising consumption of baked goods and convenience food products, and innovations and advancements in plant-based food solutions are some of the factors propelling the market growth.

The food and beverage (F&B) industry remains the largest consumer of yeast, with significant demand from bakery, alcoholic beverages, dairy, and nutritional food segments. The prepared food sector also relies on yeast for flavor enhancement and nutritional benefits, often incorporating yeast extracts in seasonings, sauces, and ready-to-eat (RTE) meals. As global eating habits shift towards convenience foods and fortified nutrition, the role of functional yeast products, such as nutritional yeast and yeast extracts, has expanded considerably.

Europe, North America, Asia Pacific, the Middle East & Africa, and Latin America are major consumer markets of Yeast and its variants.

Indian Market

Indian Yeast Market size was USD 287.51 Million in 2025 and is projected to reach USD 392.14 Million by 2034, representing a compound annual growth rate (CAGR) of approximately 3.49% between 2026 and 2034, driven by the baker's yeast segment, which emerged as the largest type of yeast in terms of market size in 2025. Nutritional Yeast is anticipated to remain the most attractive type segment, recording the fastest growth during the forecast period. Indian yeast market is primarily driven by demand from bakery products, alcoholic beverages, fermented foods, and various industrial food-processing applications.

The Food & Beverages (F&B) industry contributes approximately 3% to India's GDP and is projected to grow at 8.7% CAGR from 2024-2030.

India's yeast manufacturing industry stands on a robust foundation of rising domestic as well as overseas demand, favorable Government policies, and growing industrial applications. With strategic investment in innovation and infrastructure, companies in this sector are well placed to drive growth and capture emerging opportunities both domestically and internationally.

OPPORTUNITIES AND THREATS

Opportunities

The Indian yeast market presents significant growth opportunities, driven by the country's expansion of ethanol production under its fuel-blending programme, alongside increasing consumption of processed and packaged foods. India has achieved the 20% ethanol blending level under the Ethanol Blended Petrol Programme during the year 2025-26. This structural development, together with continued growth in bakery, food processing, industrial fermentation and other specialty applications, creates opportunities for capacity expansion and value-added product development.

India's burgeoning food and beverage industry, supported by government initiatives like "Make in India" and PLI schemes for food processing, further enhances the prospects for yeast manufacturers. In addition, the growing popularity of functional foods, health supplements, and other related products has opened new avenues for specialty yeasts such as nutritional yeast and yeast derivatives used in pharmaceutical, nutraceutical, and animal nutrition sectors. The growing animal feed market also provides opportunities for value-added products such as **live yeast, yeast culture, MOS and beta-glucans,** supporting animal health, immunity and feed efficiency. Moreover, the increasing awareness about food quality and shelf-life is boosting demand for high-performance and instant yeast varieties, particularly among commercial bakeries, distilleries, and food processors.

Recognizing these opportunities, the Company is actively working to expand its presence across existing and emerging product categories. We are continuously investing in technology upgrades, process improvements, and product innovation to meet the evolving needs of the market. Our vision is to become a leading player in the Indian yeast industry, driven by quality, reliability, and responsiveness to market trends.

Threats

The price of cane molasses, a key raw material for yeast production, remains subject to volatility due to its increasing use in ethanol production and demand from downstream industries. Agro-climatic conditions such as rainfall patterns, droughts, or crop yields may also impact molasses availability and pricing.

Further, growing awareness of dietary restrictions (e.g., gluten-free, allergen-free diets) poses a limitation for certain traditional yeast applications. There is also rising demand for clean-label, organic, or non-GMO yeast, necessitating product development and certification.

Management continuously evaluates these factors and takes appropriate measures to mitigate their potential impact on the Company's operations.

PRODUCT-WISE PERFORMANCE

The Company operates in a single business segment, focusing exclusively on the manufacture of yeast and related products. Over the years, it has established a strong presence in the domestic market under its well-recognized brand names, including **"SUNRISE", "KF", "SUPER FAST INSTANT YEAST", "ALCOMAX DISTILLER'S INSTANT YEAST", and "FOUR SEASONS".** In addition to its own brands, the Company also supplies instant yeast products to prominent import houses across India, which are marketed under their respective private labels. This reflects the Company's reputation as a trusted and quality-driven supplier within the industry.

OUTLOOK

India's economy continues to demonstrate strong resilience amid global uncertainties, driven by a supportive domestic policy framework and the Government's commitment to structural reforms. Furthermore, the government's focus on sustainable agriculture and bio-based industries aligns well with the yeast sector, which relies on agro-based raw materials like molasses.

With inflationary pressures easing and credit availability improving, consumer demand and industrial investment are expected to strengthen further. The yeast manufacturing industry is well poised to leverage these favorable conditions by investing in technology upgrades, product innovation, and enhanced supply chain efficiencies. In short, the synergy between government initiatives and evolving market dynamics presents a compelling growth opportunity for the yeast industry, positioning it for sustainable and profitable expansion in the coming years.

The outlook for the yeast manufacturing industry remains positive, supported by ongoing innovation and increasing consumer awareness regarding health and nutrition. India continues to offer significant competitive advantages in terms of technical expertise, skilled workforce, and cost efficiency, further strengthening the industry's growth potential.

In line with these trends, the Company has been actively reviewing and refining its operational structure, with a focus on cost control, improving operational efficiency and optimizing resource utilization. During the current financial year, the Company continued to focus on operational efficiencies and cost optimization amid challenges relating to raw material costs and market conditions.

A notable shift has occurred in the Company's product mix, with sales gradually moving from fresh yeast, primarily used in the bakery sector, to instant dried yeast and other high-demand variants serving the distillery, pharma, animal feed, and nutritional segments. This transition reflects the growing market preference for more versatile and shelf-stable yeast products.

Looking ahead, the Company remains focused on optimizing resource utilization and pursuing strategic opportunities to drive sustainable growth and long-term profitability.

RISKS AND CONCERNS

The Company has adopted a comprehensive Risk Management Policy designed to systematically identify, categorize, and assess various business risks, and to implement appropriate mitigation measures wherever feasible. This policy also includes a structured framework for the ongoing monitoring and management of risks, ensuring resilience and operational continuity.

The Board of Directors, along with the Audit Committee, periodically reviews the Risk Management Policy to ensure its continued relevance and effectiveness. This oversight enables the management team to operate within a clearly defined risk management framework and take timely, informed decisions.

The Company may face raw material cost risks, quality risks, and competition-related pressures. These risks are managed through continuous monitoring, preventive measures, and corrective actions as necessary.

Consistent with its philosophy of proactive governance, the Company has always adopted a system-based approach to business risk management, embedding risk awareness into its strategic and operational decision-making processes.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has well-established internal control systems for operations of the Company. All the departments of the Company, including the accounts & finance department, have experienced and trained staff capable of implementing and monitoring internal control systems. The internal control system of the Company is adequate to safeguard the Company's assets and to ensure that the transactions are properly recorded. Further, the internal control system ensures that proper records are being kept and all statutory and other laws, rules and regulations are being complied with. The Company has appointed an independent firm of chartered accountants to monitor the internal audit of its activities, based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors and approved by the Audit Committee.

The Audit Committee periodically reviews the adequacy and effectiveness of the Company's internal financial controls and the systems established for financial reporting and compliance. As at March 31, 2026, the internal financial controls were adequate and operating effectively. Compliance of secretarial functions is ensured by way of a secretarial audit conducted by an independent practicing Company Secretary firm.

FINANCIAL PERFORMANCE VIS-A-VIS OPERATIONAL PERFORMANCE

The production of the Company increased in comparison to the previous year from 15,280 MT to 16,102 MT, but the revenue of the Company decreased from ₹ 11,423.10 Lakhs to ₹ 11,213.19 Lakhs, resulting in a net loss before tax of ₹ 346.23 Lakhs during the year 2025-26 as against a net profit before tax of ₹ 193.86 Lakhs during the year 2024-25.

The comparison of financial data with the previous year's data is provided as under:

(₹ in lakhs)

Particulars			2025-26	2024-25
a)	**Production (MT)**		16,102	15,280
b)	**Revenue**			
	-	Net sales	11,213.19	11,423.10
c)	**Result**			
	-	Before Depreciation, Tax & Finance Cost	723.94	1,196.51
	Less:			
	i)	Finance Cost	369.93	358.62
	ii)	Depreciation	700.24	644.03
	Net Profit/(Loss) Before Tax		**(346.23)**	**193.86**
d)	**Net Worth**		5,394.91	5,657.14
e)	**PBT/NW (%)**		**(6.42)**	**3.43**

The Company recorded a capacity utilization of **76.68%** of its operative production facilities during the year. The Company has an installed capacity of 25,000 MT and an operative capacity of 21,000 MT per annum.

KEY FINANCIAL RATIOS

Sr. No.	Particulars	FY 26	FY 25	Explanation
1.	Operating Profit Margin	0.21%	4.77%	The decline in the operating profit margin was primarily due to higher raw material costs and lower operating profitability during the year.
2.	Net Profit (PAT) Margin	(2.67%)	0.71%	The net profit margin turned negative due to a decline in sales and a decrease in profit before tax during the year.
3.	Return (PAT) on Net Worth	(5.41%)	1.44%	The return on net worth declined due to lower profitability and reduced revenue during the year.
4.	Current Ratio	1.91	1.08	The increase in the current ratio was primarily due to a reduction in current liabilities during the year.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES

The Company firmly believes that the competence, commitment, and engagement of its workforce are fundamental to driving sustainable organizational growth. A collaborative and respectful working environment continues to be a key strength, with strong and harmonious relations maintained across all levels of the organization. Managers play a proactive role in supporting employee development by helping individuals identify challenges and by providing structured training, mentoring, and coaching programs. These initiatives are designed to cultivate leadership capabilities and enhance overall performance. The Company remains responsive to the legitimate concerns and grievances of its employees, fostering a culture of openness and mutual respect. This approach not only enhances job satisfaction but also empowers employees to contribute meaningfully to both the organization and their personal growth. As at March 31, 2026, there were 208 persons directly employed by the Company.

FORWARD-LOOKING & CAUTIONARY STATEMENT

This Management Discussion and Analysis contains certain statements that may be construed as "forward-looking statements" under applicable securities laws and regulations. These statements reflect the Company's current expectations, estimates, objectives, and projections regarding future events and performance. They are, however, inherently subject to uncertainties and assumptions concerning future economic conditions, market trends, regulatory developments, and other factors.

Actual results may vary materially from those anticipated in such statements due to a range of influences, including but not limited to global and domestic demand-supply dynamics, fluctuations in prices of finished goods and raw materials, availability and cost of inputs, changes in governmental policies, tax structures, macroeconomic conditions in India, and other business risks such as litigation or industrial relations.

The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future developments, or otherwise. Investors and stakeholders are advised to consider these factors while interpreting such forward-looking statements.

For and on behalf of the Board
Sd/-
Pramod Kumar Kothari
Chairman & Managing Director

Place: New Delhi
Date: 13.08.2026

REPORT ON CORPORATE GOVERNANCE

Pursuant to Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, it has been made obligatory for companies to report the Compliance Status as per the requirements of the Companies Act, 2013, and SEBI Listing Regulations, 2015. The Company is in full compliance with the Corporate Governance norms as stipulated therein.

The Company's Corporate Governance policies and practices for the financial year 2025-26 are given below:

1. Company's Philosophy on Code of Governance:

Philosophy on Corporate Governance envisages the attainment of the highest standards of transparency, accountability and ethical conduct in all facets of its operations and interactions with its stakeholders, including shareholders, employees, the Government and lenders.

The essence of the Corporate Governance practices across Kothari Fermentation and Biochem Limited is the balance struck between independent decision-making and effective business controls. The promotion of efficient Corporate Governance practices is not only a statutory requirement but an important business enabler that helps realize long-term goals while optimizing stakeholder returns. The Company believes that good Corporate Governance is essential for achieving long-term corporate goals and enhancing stakeholder value.

The Company, not only in letters but also in spirit, complies with the requirements of the applicable provisions relating to Corporate Governance, including but not limited to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Listing Regulations').

The Company has an effective and diverse Board that sets the principles that guide us in our everyday operations. The Company has proper systems and procedures in place to ensure best practices.

2. Board of Directors:

The Composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, which is an optimum Combination of Executive and Non-Executive Directors.

(i) Composition & Category of Directors:

The Board of Directors, along with its committees, is entrusted with the ultimate responsibility of the management, general affairs, direction, and performance of the company and has been vested with the requisite powers and authorities. The Board of Directors consists of six directors, viz. Mr. Pramod Kumar Kothari (Chairman and Managing Director), Mrs. Kavita Devi Kothari (Whole-Time Director), Mr. Siddhant Kothari (Whole-Time Director), Mr. Hemendra Patsingh Dugar, Mr. Piyush Kumar Goel, and Mr. Varun Kumar (with effect from 13.08.2025). Dr. Rajiv Agarwal ceased to be an Independent Director of the Company with effect from 13.08.2025. As of March 31, 2026, Mr. Pramod Kumar Kothari, Mrs. Kavita Devi Kothari, and Mr. Siddhant Kothari are the Executive Directors, and the other directors are Non-Executive Independent Directors.

The composition of the Board represents an optimal combination of professionalism, knowledge, and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

Composition Analysis & Category of Directors

Particulars	Number of Directors	Percentage of composition
Executive Directors (Including one woman director)	3 (Including Chairman)	50%
Non-executive Independent Directors	3	50%
Total	**6**	**100%**

(ii) Board meetings:

During the financial year, 10 Board meetings were held, i.e., on April 01, 2025, May 09, 2025, May 30, 2025, August 13, 2025, September 29, 2025, November 14, 2025, December 22, 2025, December 31, 2025, February 13, 2026 and March 27, 2026.

All agenda items in the Board Meetings are supported by the necessary information and documents to enable the Board to make informed decisions. Presentations before the Board were made by executive heads of the departments from time to time to keep the Board apprised of the developments in various functional areas. The Company is in compliance with Part A of Schedule II, read with Regulation 17 of the SEBI Listing Regulations, with regard to the information being placed before the Board.

During the year, the Board periodically reviewed compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the Management.

The composition of the Board of Directors, their attendance at the Board Meetings and Annual General Meeting, number of directorships in other Indian Public Limited Companies, and memberships of the Committees of the Board of such other companies are as follows:

Name of the Director	Category of Director	Attendance at last AGM	No. of Board meetings attended	No of other Directorships#	Other Companies Board's Committees*	
					Chairman	Member
Mr. Pramod Kumar Kothari	Chairman & Managing Director	Yes	8	NIL	NIL	NIL
Mrs. Kavita Devi Kothari	Whole-Time Director	Yes	9	NIL	NIL	NIL
Mr. Siddhant Kothari	Whole-Time Director	Yes	9	NIL	NIL	NIL
Mr. Hemendra Patsingh Dugar	Independent Non-executive Director	Yes	10	NIL	NIL	NIL
Mr Piyush Kumar Goel	Independent Non-executive Director	Yes	10	NIL	NIL	NIL
**Mr. Varun Kumar	Independent Non-executive Director	Yes	6	NIL	NIL	NIL

Dr. Rajiv Agarwal ceased to be the Independent Director of the Company w.e.f. August 13, 2025 and could not attend any meeting of the Board of Directors till his resignation during FY 2025-26.

#Directorshipsheld in Public Limited Companies only and exclude directorships held in private limited companies, foreign companies, and Section 8 companies.

*Only covers Membership/Chairmanship of Audit Committee and Stakeholders Relationship Committee of other Public Limited Companies.

**Mr. Varun Kumar was appointed as the Non- Executive Independent Director of the Company w.e.f. August 13, 2025.

(iii) Orderly succession to the Board and Senior Management

The Board of the Company has satisfied itself that plans are in place for orderly succession for appointments to the Board and to Senior Management. The Company has also adopted policy guidelines in this respect, and the same has been posted on the website of the Company at https://www.kothariyeast.in/investor-files-v2/policies/kfbl_policy-on-succession-planning.pdf.

(iv) Code of conduct for the Board of Directors and Senior Management

The Company has adopted a Code of Conduct for the Board of Directors and Senior Management (referred to as the 'Code'). The Code has been communicated to the Directors and the members of Senior Management. The Code has also been posted on the Company's website at https://www.kothariyeast.in/investor-files-v2/policies/code_of_directors_senior_management.pdf.

All Board members and senior management have confirmed compliance with the code for the year ended 31st March, 2026. Further, this Corporate Governance report contains a declaration to this effect signed by the Managing Director of the Company in Annexure II.

(v) Independent Directors:

a) Disclosure by Independent Directors

The Independent Directors have made disclosures confirming that they meet the criteria for Independence in terms of the definition of 'Independent Director' stipulated under Regulation 16(1)(b) of the Listing Regulations and Section 149 of the Companies Act, 2013. Further, all the Independent Directors have confirmed that their names are included in the databank of Independent Directors maintained by Indian Institute of Corporate Affairs ("IICA"). These disclosures have been placed before the Board. Further, in the opinion of the Board, the Independent

Directors fulfill the conditions of independence as specified in the Companies Act, 2013, and the Listing Regulations and are independent of management.

In compliance with Regulation 25 of the SEBI Listing Regulations as of March 31, 2026, none of the independent directors of the Company served as an independent director in more than seven listed entities, and as per Regulation 26 of the SEBI Listing Regulations, none of the Directors is a member of more than ten committees or acting as Chairperson of more than five committees of the companies in which he/she is a director. Also, the maximum tenure of independent directors is in accordance with the Companies Act, 2013, and Regulation 25(2) of the SEBI Listing Regulations.

The Company issues a formal letter of appointment to independent directors in the manner as provided in the Companies Act, 2013. As per Regulation 46(2) of the SEBI Listing Regulations, the terms and conditions of appointment of independent directors are placed on the Company's website.

b) No. of shares and convertible instruments held by Non-Executive Directors

Mr. Hemendra Patsingh Dugar holds the Company's 900 equity shares himself and through his relative. No other non-executive independent director holds any shares or convertible instruments in the Company.

c) Separate Meeting of Independent Director

In compliance with the provisions under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations, a separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 13th of February, 2026. All Independent Directors of the Company were present at the meeting of Independent Directors, and they:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;
- Reviewed the performance of the Chairman of the Company, taking into account the views of the other Executive and Non-Executive Directors; and
- Assessed the quality, content, and timeliness of the flow of information between management and the Board, which is necessary for the Board to effectively and reasonably perform its duties.

(vi) Familiarization Programme for Independent Directors

As stipulated in Regulation 25 of the SEBI Listing Regulations, the Company familiarizes its Independent Directors with their roles, rights, and responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. These include presentations made by the functional heads on the developments in their respective departments vis-à-vis the industry as a whole. They are also updated on the changes in the policies, laws, etc., and their impact on the company as a whole on a continuing basis. Further, Independent Directors had raised queries regarding the losses reflected in the financial statements, which were effectively and satisfactorily responded to by the Chief Financial Officer of the Company. The Familiarization programmes imparted to Independent Directors are disclosed on the Company's Website, i.e., https://www.kothariyeast.in/investor-folders/familiarization-programme.

(vii) Skills/Expertise/Competence of the Board of Directors

Key Board Skills/ Expertise/ Competence

The Board has identified the following skill set with reference to the Business and Industry of our company, required and available with the Board:

- Leadership, Business planning and strategy, Sales & Marketing, Corporate Governance & Compliance
- Finance, Banking, Taxation, Accounting and Legal, and Corporate Social Responsibility
- Technical skills and Expertise in the company's business, industry, and competition.

Chart setting out the skills/expertise/competence of the Board of Directors

S. No.	Name of Director	Core Skills/ Expertise/ Competence
1	Mr. Pramod Kumar Kothari	Expertise in the Company's business activities, industry, and competition, Leadership, Technical Skills, Risk management, Corporate Social Responsibility, Business Planning & Strategy.

S. No.	Name of Director	Core Skills/ Expertise/ Competence
2	Mrs. Kavita Devi Kothari	Finance, Banking, Sales, Marketing, Strategic entrepreneurial skills.
3	Mr. Siddhant Kothari	Computer Science, Biotechnology, and expertise in technical matters.
4	Mr. Hemendra Patsingh Dugar	Business planning and strategy, Corporate Governance, Corporate Social Responsibility.
5	Mr. Piyush Kumar Goel	Legal, Finance, Direct & Indirect taxation, Leadership, Risk management.
6.	*Dr. Rajiv Agarwal	Finance Management, Procurement, Auditing, MIS Expert, Accounting, Risk Management.
7.	**Mr. Varun Kumar	Business strategy and management, Technical Skills, Risk management.

*Dr. Rajiv Agarwal ceased to be the Independent Director of the Company w.e.f. August 13, 2025.

** Mr. Varun Kumar was appointed as the Non- Executive Director of the Company w.e.f. August 13, 2025.

(viii) Performance Evaluation

During the year, the Board has carried out an annual evaluation of its own performance, performance of the Directors, as well as the evaluation of the working of its Committees. The structured evaluation process contained various aspects of the functioning of the Board and its committees, the number of committees and their roles, the frequency of meetings, the level of participation, and independence of judgments, the performance of duties and obligations, and the implementation of good corporate governance practices. The Nomination and Remuneration Committee has defined the evaluation criteria, procedure, and time schedule for the Performance Evaluation process for the Board, its Committees, and Directors. The Board expressed its satisfaction with the performance of all the directors, the Board and its committees, which reflected the overall engagement of the Directors, the Board and its committees, with the Company.

(ix) Disclosure of relationships between Directors inter-se

Name of the Director	Designation of Director	Relationships Inter-se
Mr. Pramod Kumar Kothari	Chairman & Managing Director	Husband of Mrs. Kavita Devi Kothari, Whole-Time Director of the Company, and Father of Mr. Siddhant Kothari, Whole-Time Director of the Company.
Mrs. Kavita Devi Kothari	Whole–Time Director	Wife of Mr. Pramod Kumar Kothari, Chairman & Managing Director of the Company, and mother of Mr. Siddhant Kothari, Whole-Time Director of the Company.
Mr. Siddhant Kothari	Whole–Time Director	Son of Mr. Pramod Kumar Kothari, Chairman & Managing Director of the Company, and Mrs. Kavita Devi Kothari, Whole-Time Director of the Company.
Mr. Piyush Kumar Goel	Non-executive Independent Director	No Relationship Inter se
Mr. Hemendra Patsingh Dugar	Non-executive Independent Director	No Relationship Inter se
*Dr. Rajiv Agarwal	Non-executive Independent Director	No Relationship Inter se
**Mr. Varun Kumar	Non-executive Independent Director	No Relationship Inter se

*Dr. Rajiv Agarwal ceased to be the Independent Director of the Company w.e.f. August 13, 2025.

**Mr. Varun Kumar was appointed as the Non- Executive Independent Director of the Company w.e.f. August 13, 2025.

(x) Reason for resignation of the Independent Director

Dr. Rajiv Agarwal tendered his resignation as an Independent Director of the Company on August 13, 2025, due to pre-occupation arising from his increasing professional commitments and other responsibilities. Due to these commitments, he was unable to devote the requisite time, attention, and focus needed to effectively discharge his duties and responsibilities as a member of the Board and Chairman of the Board Committees. Accordingly, he stepped down from his position to ensure that the Company's governance and Board functioning continue to receive the necessary level of oversight and engagement.

Further, it was confirmed by him in his resignation letter dated August 13, 2025 that there were no other material reasons for his resignation other than those mentioned above.

3. Committees of the Board

Establishing Committees is one way of managing the work of the Board; these Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities. There are three committees of the Board of Directors, which have been delegated adequate powers to discharge their respective functions. These Committees are – (i) Audit Committee, (ii) Nomination & Remuneration Committee, and(iii) Stakeholders' Relationship Committee. The Company Secretary is the Secretary for all the Committees of the Company.

(i) Audit Committee

- **Terms of Reference**

  As per the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations, read with Part C of Schedule II of the Regulations, the Audit Committee has been delegated all the requisite functions and powers to perform the role defined in the aforesaid provisions. The broad terms of reference are:

  o Recommend to the Board the appointment, re-appointment and, if required, the replacement or removal of statutory auditors/internal auditors, remuneration and terms of appointment of auditors.

  o Review and monitor the auditor's independence and performance, and the effectiveness of the audit process.

  o Review the quarterly and annual financial statements and the auditor's report thereon, before submission to the Board for approval.

  o Approve transactions, including any subsequent modifications, of the Company with related parties.

  o Scrutinize inter-corporate loans and investments.

  o Valuation of undertakings or assets of the Company, wherever it is necessary.

  o Evaluate internal financial controls and risk management systems.

  o Review and monitor the statement of use and application of funds raised through public offers and related matters.

  o Review the functioning of the Whistle Blower Policy/Vigil mechanism.

  The minutes of the Audit Committee meetings are regularly placed before the Board of Directors at their meeting for its appraisal.

- **Powers of the Audit Committee**

  The Audit Committee has the powers to investigate any activity within its terms of reference, seek information from the employees, obtain outside legal or professional advice, and secure their attendance, if necessary.

- **Composition, Meetings, and Attendance**

  The Committee met 7 times during the financial year, i.e., May 09, 2025, May 30, 2025, August 13, 2025, November 14, 2025, December 22, 2025, February 13, 2026, and March 27, 2026.

  The composition, names of the members, chairman, particulars of the meetings, and attendance of the members during the year are as follows:

Name of the Member	Designation	Category	No. of Meetings attended
*Mr. Piyush Kumar Goel	Chairman	Non–executive Independent Directors	7
Mr. Hemendra Patsingh Dugar	Member		7
**Mr. Varun Kumar	Member		4

  Dr. Rajiv Agarwal ceased to be the Chairman of the Committee w.e.f. August 13, 2025, and he could not attend any meeting of the Audit Committee till his resignation during FY 2025-26.

  *Mr. Piyush Kumar Goel was elected as the Chairman of the Committee w.e.f. August 13, 2025.

  **Mr. Varun Kumar was appointed as a member of the Committee w.e.f. August 13, 2025.

The majority of the members of the Audit Committee have accounting and financial management expertise. Mr. Pramod

Kumar Kothari, Chairman & Managing Director, is the permanent invitee to the Audit Committee. The Chief Financial Officer, Internal Auditors, and Statutory Auditors were also invited and attended the committee meeting to clarify and discuss queries raised by the committee.

(ii) Nomination & Remuneration Committee

The "Nomination & Remuneration Committee" is constituted in line with the provisions of Section 178 of the Companies Act, 2013, and Regulation 19 read with Part D of Schedule II of the Listing Regulations.

- The **terms of reference** of the Nomination & Remuneration Committee are:
  - Formulation of the criteria for determining qualifications, positive attributes, and independence of a director and recommendation to the Board a policy relating to the remuneration of the directors, key managerial personnel, and other employees.
  - Formulation of criteria for evaluation of Independent Directors and the Board.
  - Devising a policy on the Board's diversity.
  - Identifying persons who are qualified to become directors and who may be appointed/promoted in senior management in accordance with the criteria laid down and recommending to the Board their appointment and removal, and carrying out the evaluation of the performance of directors and senior managerial personnel.

- **Composition, Meetings, and Attendance**

  The Committee met 3 times during the financial year, i.e., April 01, 2025, August 13, 2025, and March 27, 2026.

  The composition, names of the members, chairman, particulars of the meeting, and attendance of the members during the year are as follows:

Name of the Member	Designation	Category	No. of Meetings attended
*Mr. Piyush Kumar Goel	Chairman	Non–executive Independent Directors	3
Mr. Hemendra Patsingh Dugar	Member		3
**Mr. Varun Kumar	Member		1

  Dr. Rajiv Agarwal ceased to be the Chairman of the Committee w.e.f. August 13, 2025, and he could not attend any meeting of the Nomination & Remuneration Committee till his resignation during FY 2025-26.

  *Mr. Piyush Kumar Goel was elected as the Chairman of the Committee w.e.f. August 13, 2025.

  **Mr. Varun Kumar was appointed as a member of the Committee w.e.f. August 13, 2025.

- **Performance Evaluation criteria of Independent Directors and Senior Managerial Personnel**

  The criteria for evaluation of Independent Directors as well as other Directors and the Managerial Personnel are formulated by the Nomination and Remuneration Committee, which includes factors such as job profile, responsibilities and obligations, risk management, strategies formulated and successfully implemented, financial performance of the company, annual targets, knowledge and skills, compliance with code of conduct, etc.

(iii) Stakeholders Relationship Committee:

- **Terms of Reference**

  The "Stakeholders' Relationship Committee" is constituted in line with the provisions of Section 178 (5) of the Companies Act, 2013, and Regulation 20 of the SEBI Listing Regulations, read with Part D of Schedule II of the Regulations. The Committee is responsible for assisting the Board of Directors in the matters relating to:
  - Resolving the grievances of the security holders of the listed entity, including complaints related to the Dematerialisation/transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
  - Review of measures taken for effective exercise of voting rights by shareholders.
  - Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
  - Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring the timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

o Resolving grievances of debenture holders related to creation of charge, payment of interest/principal, maintenance of security cover, and any other covenants.

- **Composition, Meetings, and Attendance during the year**

The Committee met once during the year, i.e., on February 13, 2026, and the attendance at the meeting was as follows:

Name of the Member	Designation	Category	No. of Meetings attended
*Mr. Varun Kumar	Chairman	Independent/Non–Executive Director	1
Mr. Pramod Kumar Kothari	Member	Chairman & Managing Director	1
Mr. Hemendra Patsingh Dugar	Member	Independent/Non–Executive Director	1

Dr. Rajiv Agarwal ceased to be the Chairman of the Committee w.e.f. On August 13, 2025, no meeting of this Committee was held until his resignation during FY 2025-26.

*Mr. Varun Kumar was elected as the Chairman of the Committee w.e.f. August 13, 2025.

- **Name, Designation & Address of the Compliance Officer**

Ms. Shivani,

Company Secretary & Compliance Officer

Kothari Fermentation &Biochem Ltd.

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

Tel. : 011-41664840, 40590944

E-mail : secretarial@kothariyeast.in

- **Shareholders' complaints and disposal thereof**

The complaints of the shareholders are either addressed to the Company Secretary or the share transfer agents of the company, i.e., Abhipra Capital Limited. The status of pending shareholders'/investors' complaints is reviewed at the Stakeholders Relationship Committee Meeting. No complaints were received during the year. There was no investor complaint pending as on 31.03.2026. There were no valid share transfers/ demat requests pending for registration for more than 15 days on the said date.

As per Regulation 13 of SEBI Listing Regulations, the Company is registered on the SCORES platform, ODR Portal, and also designated an email, i.e. info@kothariyeast.in, and email ID of the RTA, i.e., rta@abhipra.com, for the redressal of security holder grievances by the Company.

4. Particulars of Senior Management

S. No.	Name	Designation
1.	Mr. Rajan Sreedharan	G.M. (Technical)
2.	Mr. P.K. Jain	G.M. (Production)
3.	Mr. O.P. Bhatia	Head- Sales & Supply
4.	Mr. Arun Sekhani	Chief Financial Officer (CFO)
5.	Ms. Shivani	Company Secretary & Compliance Officer

5. Remuneration of Directors

The Board has adopted a Remuneration Policy for its Directors, Key Managerial Personnel, and other employees as recommended by the Nomination & Remuneration Committee. The Company has also adopted a separate policy for making payment to its Non- Executive Directors, and the same has been published on its website, i.e.,
https://www.kothariyeast.in/investor-files-v2/policies/policy-on-remuneration-to-non-executive-directors.pdf.

The policy has laid down the criteria for making the payment to the Non- Executive Directors of the Company, such as experience, eligibility, positive attributes, independence of the director, contribution during the meeting, active participation in strategic decision-making, Board diversity, etc.

The Company has no stock option plans for the directors, and hence, it does not form a part of the remuneration package payable to any executive and/or non-executive directors. During the year under review, none of the directors was paid any performance-linked incentive/ commission. In 2025-26, the Company did not advance any loans to any of the executive and/ or non-executive directors.

- **Details of Remuneration paid to Directors for the year 2025-2026**

(a) **Executive Directors:**

(₹ In Lakhs)

PARTICULARS	MR. PRAMOD KUMAR KOTHARI	MRS. KAVITA DEVI KOTHARI	MR. SIDDHANT KOTHARI
Salaries	48.00	45.00	14.40
TOTAL	**48.00**	**45.00**	**14.40**

(b) **Non-Executive Directors:**

During the year under review, there were no pecuniary transactions with any non-executive director of the Company. Further, no sitting fees were paid to the non-executive directors during the year 2025-26, as they decided not to accept any sitting fees.

- **Policy on Board Diversity**

In compliance with the provisions of the SEBI Listing Regulations, the Board, through its Nomination and Remuneration Committee, has devised a Policy on Board Diversity. The objective of the policy is to ensure that the Board comprises an adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The Board composition as at present meets the above objective.

6. Annual General Meetings

AGM	YEAR	VENUE	DATE	TIME
35th	2024-2025	Through VC/OAVM at the Registered Office of the Company	30.09.2025	11:30 A.M
34th	2023-2024	Through VC/OAVM at the Registered Office of the Company	30.09.2024	11:30 A.M
33rd	2022-2023	Through VC/OAVM at the Registered Office of the Company	28.09.2023	11:30 A.M

*No resolution requiring a Postal Ballot was placed before the last AGM. At present, no special resolution is proposed to be passed through a postal ballot.

- **Special Resolution passed in the previous three Annual General Meetings**

AGM	Year	Subject of Special Resolution	Date
35th	2024-2025	1. Appointment of Mr. Varun Kumar as Non- Executive Independent Director of the Company.	30.09.2025
34th	2023-2024	1. Re-appointment of Mr. Piyush Kumar Goel as Non-Executive Independent Director of the Company.	30.09.2024
33rd	2022-2023	1. Appointment of Dr. Rajiv Agarwal as Non-Executive Independent Director of the Company. 2. Re-appointment of Mr. Hemendra Patsingh Dugar as Non-Executive Independent Director of the Company.	28.09.2023

7. Means of Communication

Half-yearly & Quarterly results	The results of the company are published in newspapers and also sent to the Stock Exchanges within the stipulated time period.
Which newspaper is normally published in	"Financial Express"&"Jansatta"
Any website where displayed	www.bseindia.com & www.kothariyeast.in
Whether it also displays official news releases	--------------------------Yes-------------------------
The presentations made to institutional investors or to the analysts	None during the year
Whether the Management Discussion & Analysis Report is a part of the annual report or not	Yes, forms part of the annual report.

8. General Shareholder Information

(i) 36th Annual General Meeting

Day, Date & Time	Wednesday, 30th day of September, 2026 at 11:30 A.M.
Venue	Video Conferencing (VC)/ Other audio and visual means (OAVM) at Registered Office, 16, Community Centre, 1st floor, New Delhi-110017

(ii) Financial year

The financial year of the Company is from April 1, 2025 to March 31, 2026.

(iii) Tentative Financial Calendar

Financial Year 2026 – 2027			
1.	First Quarterly Results	(Unaudited/Limited Review)	July-August 2026
2.	Second Quarterly and Half-Yearly Results	(Unaudited/Limited Review)	October-November 2026
3.	Third Quarterly Results	(Unaudited/Limited Review)	January-February 2027
4.	Fourth Quarterly Results & Annual Results	(Audited)	April-May 2027

(iv) Dividend Payment Date

The Board of Directors has not recommended any dividend during the year.

(v) Book Closure

The Share Transfer Books and the Register of Members shall remain closed from Wednesday, 23rd September, 2026, to Wednesday, 30th September, 2026 (both days inclusive) for the purpose of the AGM.

(vi) Listing on Stock Exchanges and Stock Codes

S. No.	Name & Address of the Stock Exchange	Stock Code
1.	BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001.	507474

*Note: The Company has paid the Listing fees for the year 2026-27 and the annual custodian fee in respect of shares held in dematerialized mode to NSDL & CDSL.

(vii) DEMAT ISIN Number in NSDL & CDSL: INE991B01010

(viii) In case the securities are suspended from trading, the directors' report shall explain the reason thereof: Not Applicable

(ix) Market Price Data for the year 2025-26:

Monthly high/low prices and trading volumes of the company's shares during the financial year 2025-26 on BSE Ltd. are given hereunder:

Month	High Price	Low Price	No. of Shares Traded	No. of Trades
Apr-25	86.90	61.10	548000	3392
May-25	84.95	75.11	169163	1914
Jun-25	83.95	59.12	463441	3412
Jul-25	70.00	60.16	199865	2053
Aug-25	67.07	48.30	363439	2468
Sep-25	53.65	46.01	250871	1742
Oct-25	53.00	40.00	170957	1489
Nov-25	52.90	42.30	88857	1097
Dec-25	49.99	41.00	84276	991
Jan-26	45.45	40.50	34310	473
Feb-26	44.76	37.15	333021	1140
Mar-26	40.85	30.20	305066	1220

(x) Registrar and Share Transfer Agents:

Abhipra Capital Limited,
Abhipra Complex A-387, Dilkhush Indl Area,
G.T. Karnal Road, Azadpur, Delhi-110033
Phone: +91-11-42390783
Email ID: rta@abhipra.com

(xi) Share Transfer System

In accordance with the provisions of Regulation 40 of SEBI Listing Regulations, as amended, as per Gazette Notification No. SEBI/LAD-NRO/GN/2026/312 dated July 10th, 2026, SEBI mandated that all requests for transfer of securities, including transmission and transposition requests, shall be processed only in dematerialized form. Therefore, shareholders are requested to dematerialise their physical shares expeditiously. Further, SEBI, by its circular no. HO/38/13/11(14)2026-MIRSD-POD/I/17111/2026, dated July 23, 2026 has decided to specify the revised transmission framework for securities, in which a new category for low value claims, namely Quick Transmission Processing (QTP), and revision of monetary threshold limits for transmission of securities are introduced.

Moreover, Pursuant to SEBI Circular No. HO/38/13/11(2)2026-MIRSD-POD/I/3750/2026 dated January 30, 2026, another special window has been opened for re-lodgement of transfer requests for physical shares that were originally lodged prior to April 01, 2019, and were rejected/returned/not attended to due to deficiencies. This window is open from February 05, 2026, to February 04, 2027. During this period, eligible shareholders may re-lodge such shares for transfer. Please note that such transfers will be processed only in dematerialized mode. Shareholders are encouraged to take advantage of this opportunity and reach out to the Company's RTA for further assistance. The Company has published a notice on February 07, 2026 and is also publishing the reminders once every two months, in 'Financial Express' (English) and 'Jansatta' (Regional language), informing shareholders about the special window for re-lodgement of physical share transfer requests.

(xii) Distribution of Shareholding

A) Distribution of Shareholding according to size class as on 31st March 2026:

S. No.	Nominal Value of Equity Shares held (₹)	Shareholders		Shares	
		Numbers	Percentage	Numbers	Percentage
1	Up to 5000	11483	99.025	2508248	16.721
2	5001 – 10000	55	0.474	402301	2.682
3	10001 – 20000	29	0.260	414488	2.763
4	20001 – 30000	10	0.086	259855	1.732
5	30001 – 40000	4	0.034	147913	0.986
6	40001 – 50000	1	0.008	50000	0.333
7	50001 – 100000	2	0.017	110295	0.735
8	Above 100000	12	0.106	11106900	74.048
	Total	**11596**	**100**	**15000000**	**100**

B) Distribution of Shareholding across Categories as on 31st March 2026:

S.No.	Categories	No. of Shares Held	% Shareholding
1.	**Promoters & Promoters Groups**		
	Individuals/ HUF	8291317	55.28
	Bodies Corporate	2038998	13.59
2.	**Public Shareholding**		
	Financial Institutions, Banks, and Mutual Funds	100	00
	NRIs, Foreign Nationals, OCBs, FIIs, and clearing members	188036	1.25
	Indian Public	4104550	27.36
	Private Corporate Bodies	206687	1.38
	Others	170312	1.14
	TOTAL	**15000000**	**100**

(xiii) Dematerialization of Shares and Liquidity

As on March 31, 2026, **94.50%** (approx.) of Equity Share Capital of the Company was held in the dematerialized form with NSDL and CDSL. The shares of the Company fall under the category of compulsory delivery in dematerialized form by all categories of investors and are listed on BSE Ltd. The number of shares held in dematerialized and physical mode as on March 31, 2026 is as under:

Categories	Number of Shares	Share Percentage
Physical	824300	5.495
CDSL	2508724	16.727
NSDL	11666976	77.778
Total	**15000000**	**100**

(xiv) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments: Not Applicable

(xv) Location of Plant

D-6 to D-12, Village Rajarampur,
UPSIDC Industrial Area, Sikandrabad,
District Bulandshahr (U.P.) – 203206

(xvi) Address for Correspondence:

- **With the Company:**
  Kothari Fermentation & Biochem Limited
  16, Community Centre, 1st Floor, Saket, New Delhi – 110017
  Tel.: 011 – 40590944
  E-mail: info@kothariyeast.in
  E-mail for investors' grievance redressal : secretarial@kothariyeast.in
  Website: www.kothariyeast.in

- **With the RTA**

  The shareholders may also address their correspondence to the RTA of the Company; their address is given in point no.8(x)above.

(xvii) Credit Rating: Not Applicable.

(xviii) Commodity price risk or foreign exchange and hedging activities

The Company's business is subject to commodity price risks due to fluctuations in prices of key raw materials of the Company. The Company has in place a robust risk management framework for identification, monitoring and mitigation of commodity price and foreign exchange risks. The risks are tracked and monitored on a regular basis, and mitigation strategies are adopted in line with the risk management framework. During the year under review, the Company has managed the commodity as well as foreign exchange risk. The details of foreign currency exposure are disclosed in note no. 35 to the financial statements.

9. Other Disclosures

- **Compliance regarding Insider Trading**

  In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Practices and procedures for fair disclosure and a Code of Conduct to regulate, monitor, and report trading by insiders. The Code advises procedures to be followed and disclosures to be made while dealing in shares of the Company and cautions them on the consequences of non-compliance. The Code referred to above is placed on the Company's website https://www.kothariyeast.in/investor-files-v2/policies/code-of-conduct-for-prevention-of-insider-trading-.pdf.

- **Disclosure of Accounting Treatment and Directors' Responsibility Statement**

  In the preparation of financial statements, the company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable. The Board has also affirmed that the Annual Accounts have been prepared as per applicable Accounting Standards and Policies and that sufficient care has been taken for maintaining adequate accounting records.

- **Penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority**

  The Company has complied with the requirements of the Stock Exchanges, SEBI, and other statutory authorities on all matters relating to capital markets, and no penalties and strictures have been imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years. There has been no instance of non-compliance with any legal requirements, particularly with any requirements of the Corporate Governance Report, during the year under review.

- **Vigil mechanism and Whistle Blower Policy**

  The Company has established a vigil mechanism, which is overseen by the Audit Committee, for the genuine concerns expressed by the employees and the Directors of the Company. A comprehensive Whistle Blower Policy has been adopted by the Company, which provides adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee for reporting issues concerning the interests of employees and the Company.

  The Company affirms that no personnel has been denied access to the Audit Committee. The policy, as approved by the Board, is uploaded on the Company's website at https://www.kothariyeast.in/investor-files-v2/policies/whistle-blower-policy- kfbl.pdf.

- **Disclosure of material transactions by Senior Management**

  Under Regulation 26(5) of SEBI Listing Regulations, Senior Management has made periodic disclosures to the Board relating to all material financial and commercial transactions, where they had (or were deemed to have had) personal interest that might have been in potential conflict with the interest of the Company. The same was NIL during the year 2025-26.

- **Related Party Transactions (RPT)**

  There were no materially significant transactions with the related parties during the financial year that may have a potential conflict of interest of the Company at large.

All transactions entered into with the Related Parties as defined under the Companies Act, 2013, and Regulation 2(1) (zc) of SEBI Listing Regulations during the financial year were on an arm's length basis and do not attract provisions related to the materiality of related party transactions.

During the year 2025-26, as required under Section177 of the Companies Act, 2013, and Regulation 23 of the SEBI Listing Regulations, all RPTs were placed before the Audit Committee for approval. A statement showing the disclosure of transactions with related parties as required under IND AS 24 is set out separately in the accompanying Financial Statements.

The Company has formulated a policy on dealing with related party transactions, which has been uploaded on the website of the Company, i.e., https://www.kothariyeast.in/investor-files-v2/policies/kfbl_rpt_policy.pdf.

- **Proceeds from public issue, rights issue, preferential issue, etc.**

  During the year, the Company has not raised any funds from public issues, rights issues, preferential issues, etc.

- **Recommendations of Committees of the Board:**

  There were no instances during the financial year 2025-26 wherein the Board had not accepted the recommendations made by any Committee of the Board.

- **Material Subsidiaries**

  The Company does not have any subsidiary or material subsidiary as defined under Regulation 16(1)(c) of the SEBI Listing Regulations, and therefore the Company has not adopted any policy for determining material subsidiary.

- **Fees to Statutory Auditor:**

  Total fees paid by the Company to the statutory auditor as mentioned below:

(Amount in Lakhs)

Payment to Statutory Auditor	FY 2025-26	FY 2024-25
Statutory Audit Fees	3.91	3.91

- **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

  Number of Complaints filed during the year 2025-26: **NIL**

  Number of Complaints disposed of during the year 2025-26: **N.A**

  Number of Complaints pending as on 31st March, 2026: **NIL**

- **Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':** Nil

- **Details of compliance with mandatory and discretionary requirements as per SEBI Listing Regulations**

  During the year under review, the Company has complied with all the mandatory statutory requirements under the Companies Act, 2013, SEBI regulations and all other applicable laws. Further, there is no non-compliance with any requirement of corporate governance as prescribed in sub-paras (2) to (10) of the Corporate Governance report as given in Schedule V(C) of the SEBI Listing Regulations, 2015.

  The Corporate Governance requirements specified in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para-C, D and E of Schedule V of the said Regulations have also been duly complied with in this Report, as well as on the website of the Company.

  The Discretionary requirements as stipulated in Part E of Schedule II of the listing regulations have been adopted to the extent and in the manner as stated hereunder:

  - The Board: Since the Company has an executive Chairman, the requirement regarding a non-executive Chairman is not applicable to the Company.
  - Shareholder rights: Quarterly, half-yearly, and annual financial results are published in the newspapers and are also posted on the website of the Company.
  - Modified opinion(s) in the audit report: The Company confirms that its financial statements for the year under reference are with an unmodified audit opinion.
  - Reporting of Internal Auditor: The Internal Auditor reports directly to the Audit Committee.

- **CEO/ CFO Certification**

  Pursuant to the provisions specified in Part B of Schedule II and in terms of Regulation 17(8) of the SEBI Listing Regulations, a certificate on the Financial Statements from the CEO and the CFO is issued and forms part of the Annual Report in **Annexure-I**.

- **Compliance Certificate**

  A compliance certificate for Corporate Governance from Statutory Auditors of the Company is annexed herewith in **Annexure-III**.

- **Non-Disqualification of Directors**

  A certificate from a company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies, by the Board/ Ministry of Corporate Affairs or any such statutory authority, is annexed herewith in **Annexure-IV**.

- **Disclosure with respect to demat suspense account/ unclaimed suspense account**

  There are no shares in the demat suspense account or unclaimed suspense account.

  The above report has been placed before the Board at its meeting held on 13.08.2026and was approved by the Board.

For and on behalf of the Board
Sd/-
Pramod Kumar Kothari
Chairman & Managing Director

Place: New Delhi
Date: 13.08.2026

Annexure-I

CEO /CFO CERTIFICATION

UNDER REGULATION 17(8) OF THE SEBI (LODR) REGULATIONS, 2015

(A) We have reviewed the financial statements and the cash flow statement of the Company for the financial year 2025-26, and to the best of our knowledge and belief: -

- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws, and regulations.

(B) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year that are fraudulent, illegal, or violative of the company's code of conduct.

(C) We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

(D) We have indicated to the auditors and the Audit Committee:

- i. That there are no significant changes in internal control over financial reporting during the year;
- ii. That there are no significant changes in accounting policies during the year; and
- iii. There was no instance of significant fraud of which we have become aware during the reporting year.

For Kothari Fermentation and Biochem Ltd.

	Sd/-	**Sd/-**
Date: 29.05.2026	**Arun Kumar Sekhani**	**Pramod Kumar Kothari**
Place: New Delhi	**Chief Financial Officer**	**Chairman & Managing Director**

Annexure II

DECLARATION REGARDING AFFIRMATION OF COMPLIANCE WITH THE CODE OF CONDUCT

I, Pramod Kumar Kothari, Chairman & Managing Director of the Kothari Fermentation and Biochem Limited, do hereby declare that all members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2026, as required under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For and on behalf of the Board
Sd/-

Date: 29.05.2026	**Pramod Kumar Kothari**
Place: New Delhi	**Chairman & Managing Director**

Annexure-III

Independent Auditor's Certificate on Compliance with the Conditions of Corporate Governance as per Provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members of
Kothari Fermentation & Biochem Ltd.

1. We have examined the compliance of conditions of Corporate Governance by Kothari Fermentation & Biochem Ltd. ("the Company") for the year ended 31st March, 2026 as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Paras C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

2. The compliance with the terms and conditions contained in the Corporate Governance requirements is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

3. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the terms and conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended 31st March, 2026.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate, and the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI, which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, Clauses (b) to (i) and (t) of Regulation 46(2) and Paras C, D and E of Schedule V of the Listing Regulations during the year ended 31st March, 2026.

   We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction of Use

9. The certificate is addressed and provided to the members of the Company solely for the purpose of enabling the Company to comply with the requirements of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Kothari Kuldeep & Co.
Chartered Accountants
ICAI Firm Registration No. 15960C
Sd/-
CA KULDEEP KOTHARI
Partner
Membership No.: 413714
UDIN: 26413714SQQLVO3993

Place: New Delhi
Dated: 29/05/2026

Annexure-IV

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause(10) (I) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
KOTHARI FERMENTATION AND BIOCHEM LIMITED
16 COMMUNITY CENTRE FIRST FLOOR
SAKET NEW DELHI DL 110017 IN

We, Priyanka Saxena & Associates, Company Secretaries, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of KOTHARI FERMENTATION AND BIOCHEM LIMITED having CIN L72411DL1990PLC042502 and having registered office 16,COMMUNITY CENTRE, FIRST FLOOR, SAKET, NEW DELHI DL 110017 IN (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal **www.mca.gov.in**) as considered necessary and explanations furnished to me/us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	PRAMOD KUMAR KOTHARI	00086145	26/12/1990
2.	KAVITA DEVI KOTHARI	00120415	01/04/2013
3.	PIYUSH KUMAR GOEL	08539042	27/09/2019
4.	HEMENDRA PATSINGH DUGAR	05227746	14/11/2018
5.	SIDDHANT KOTHARI	08620559	29/08/2020
6.	RAJIV AGARWAL	07079724	28/08/2023 (Ceased on 13/08/2025)
7.	VARUN KUMAR	05202005	13/08/2025

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For PRIYANKA SAXENA & ASSOCIATES
Company Secretaries
Sd/-
Priyanka Saxena
(Proprietor)
Mem. No. 8959
CP. No. 10439
PR No.: 3307/2023
UDIN: F008959H000500571

Place: New Delhi
Date: 27.05.2026

Independent Auditor's Report

To,
The Members of
Kothari Fermentation &Biochem Limited,
Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Kothari Fermentation & Biochem Limited ('the Company'), which comprise the balance sheet as at 31st March 2026, the statement of profit and loss including the statement of other comprehensive income, the cash flow statement and the Statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair View in conformity with the Indian Accounting Standard prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of Affairs of the Company as at March 31, 2026, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2026. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements.

The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

S. No.	Key Audit Matter	Auditor's Response
1	**Existence of Inventories** As of March 31, 2026, the Company's inventories aggregated ₹ 2,326.76 lakhs, comprising 18.39% of the total assets of the Company as on that date, which inventories are geographically spread across multiple locations such as factory/ depots. These inventories are physically verified by the Management in accordance with a physical verification plan.	We have performed the following principal audit procedures in relation to validating the existence and condition of inventories, which include a combination of testing internal controls and substantive testing as follows: • Understood Management's control over physical inventory counts. • Evaluation of the design and testing of the operating effectiveness of the internal controls relating to physical inventory counts.

S. No.	Key Audit Matter	Auditor's Response
	For the aforementioned reason and also since the inventory balance is material, the existence and condition thereof have been considered as a key audit matter.	• Performed alternate procedures, including inspection of documentation of the subsequent sale of inventories, to audit the existence and condition of inventory as per guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence. • We have also performed roll-forward procedures for establishing the existence of inventory as at year-end by validating purchases, sales, and stock movement of inventory during the intervening period, i.e. from the date physical verification was done till the year-end date. • Verification of documentary evidence of damaged and expired stock and the adequacy of the recorded allowance in respect of Inventories.
2	**Evaluation of uncertain tax positions** Refer to Notes 29 to the Financial Statements. The Company has material uncertain tax positions, including matters under dispute, which involve significant judgment to determine the possible outcome of these disputes.	We have obtained details of the complete tax assessments and demands as of March 31, 2026, from management. We considered management's assessment of the validity and adequacy of provisions for uncertain tax positions, evaluating the basis of assessment and reviewing relevant correspondence and legal advice, where available, including any information regarding similar cases with the relevant tax authorities. We assessed the validity and adequacy of provisions for uncertain tax positions in respect of Income tax demand and have discussed the probable outcome of the case with the key management and considered their views on the same. We have found the appropriateness of management's assumptions and estimate reasonable.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, Secretarial Audit Report, Management Discussion and Analysis (but does not include the standalone Ind AS financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the Ind AS financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Company (Indian Accounting Standards) Rules,2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2026 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report.

Because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure - I**, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. **As required by Section 143 (3) of the Act, we report that:**

   (a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;

(c) The balance sheet, the statement of profit and loss, including the statement of other comprehensive income, and the cash flow statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rule, 2015, as amended;

(e) On the basis of the written representations received from the directors as on 31st March 2026, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure II** to this report";

(g) In our opinion, the managerial remuneration for the year ended March 31, 2026, has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The company has disclosed the impact of pending litigations on its financial Position in its Ind AS financial statements – Refer Note 29 to the financial statements;

ii. The company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;

iii. There was no amount which were required to be transferred to the Investor Education and Protection Fund by the company.

iv. a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), With the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared and paid any dividends during the year.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2026, which has a feature of recording audit trail (edit log) facility, and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

For **Kothari Kuldeep & Co.**
Chartered Accountants
ICAI Firm Registration No. - 015960C

CA KULDEEP KOTHARI
Partner
Membership No.: 413714
UDIN: 26413714ZBMLQ25868

Place: New Delhi
Dated: 29/05/2026

Annexure - I to the Independent Auditors' Report

The Annexure as referred to in paragraph (1) 'Report on Other Legal and Regulatory Requirements of our Independent Auditors' Report to the members of Kothari Fermentation & Biochem Limited on the financial statements as of and for the year ended 31 March 2026,

i. (a) (A) The Company has maintained proper records showing full particulars, including Quantitative details and situation of property, plant and equipment on the basis of available information.

(B) The Company has maintained proper records showing full particulars of intangible assets on the basis of available information.

(b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner by the management. In accordance with this programme, all the fixed assets have not been physically verified by the management during the year, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification as compared with the available records.

(c) According to the information and explanations provided to us and on the basis of our examination of the registered sale deed/conveyance deed (other than properties where the company is the lessee and the lease agreement are duly executed in favour of the lessee), We report that, the title deeds, comprising the immovable Properties of land and building which are freehold, are held in the name of the Company, as at the balance sheet date.

(d) The Company has not revalued its property, plant and equipment (including right of use assets) and intangible assets during the year. Therefore, the provisions of clause 3(i)(d) of the Order are not applicable to the Company.

(e) According to information and explanations given by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the

Prohibition of Benami Property Transactions Act, 1988(as amended in 2016) and rules made thereunder. Therefore, provisions of clause 3(1)(e) of the Order are not applicable to the Company.

ii. (a) The management has conducted Physical Verification of inventory at reasonable intervals during the year, other than stock lying with third parties, and in our opinion, the coverage and procedure of such verification by the management is appropriate. As explained to us and on the basis of records examined by us, no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification.

(b) The Company has been sanctioned overdraft limit in excess of ₹5 crore, in aggregate, from a bank during the year from October, 2025. The said facilities have not been sanctioned on the basis of security of current assets. The Company has been sanctioned working capital limits upto September 2025, during the year, in excess of five crores rupees, in aggregate, from a bank on the basis of security of current assets. Based on the examinations of the books of accounts and quarterly statements submitted to the bank, the aggregate value of stocks and debtors is not in agreement with the books of accounts as mentioned in note no. 40 to the financial statements.

iii. In our opinion and according to the information provided to us, the Company has not made any investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited liability partnerships or any other parties during the year. Accordingly, para 3(iii) a to para 3(iii) f are not applicable.

iv. The Company has no transaction with respect to loans, investments, guarantees and securities covered under sections 185 and 186 of the Companies Act, 2013 during the year. Therefore, the provisions of clause 3(iv) of the Order are not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted any deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.

vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013, in respect of the activities carried on by the company. Therefore, the provisions of clause (vi) of paragraph 3 of the order are not applicable.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is regular in depositing amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, Goods and service tax, cess and other statutory dues applicable to it. There were no undisputed outstanding statutory dues as at year-end for a period of more than 6 months from the date they became payable.

(b) According to the information and explanation given to us and the records of the company examined by us, there are no statutory dues referred to in sub-clause (a) on account of any dispute except the following:

Name of the Statute	Nature of Dues	Amount (in Lacs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act	Demand for Tax (Addition U/s 41(1) of the Income Tax Act,1961)	# ₹ 1523.48 lacs	A.Y. 2008-09	CIT(A), New Delhi & Hon'ble High court, Delhi

#Amount of Tax and related interest disputed and not deposited.

viii. According to the information and explanation given to us, there were no transactions which have not recorded in the books of account, have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year. Therefore, provisions of clause 3(viii) of the Order are not applicable to the Company.

ix. (a) According to the information and explanation given to us and based on our examination of records, the Company has not defaulted in repayment of loans or other borrowings or in the payment of Interest thereon to any lender and hence, reporting under clause 3(ix)(a) of the Order is not applicable.

(b) Based on the information and explanations obtained by us, the Company has not been declared a willful defaulter by any bank or financial institution or other lender and hence, reporting under clause 3(ix)(b) of the Order is not applicable.

(c) According to the information and explanation given to us and based on our examination of records, the Company has applied the term loans for the purpose for which the loans were obtained.

(d) According to the information and explanation given to us and based on our examination of records, funds raised on a short-term basis have, prima facie, not been used during the year for long-term purposes by the Company. Accordingly, reporting under this clause 3(ix)(d) of the Order is not applicable.

(e) The Company has no subsidiaries, joint ventures or associates. Therefore, the provisions of clause 3(ix)(e) of the Order are not applicable to the Company.

(f) The Company has no subsidiaries; hence, reporting under clause 3(ix)(f) of the Order is not applicable

x. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Therefore, the provisions of clause 3(x)(a) of the Order are not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, the provisions of clause 3(x)(b) of the Order are not applicable to the Company.

xi. (a) As per the information and explanation given to us and on the basis of our examination of the records, we have neither come across any instance of material fraud by the Company or on the Company or reported during the year, nor have been informed of such case by the management.

(b) According to the information and explanation given to us and based on our examination of records, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) We have been informed that there are no whistleblower complaints received by the Company during the year (and up to the date of this report). Accordingly, the reporting under the clause 3(xi)(c) of the Order is not applicable.

xii. The company is not a Nidhi Company. Accordingly, Clause (xii) (a), (xii)(b) and (xii)(c) of Para 3 of the order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards (Ind-As).

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered internal audit reports of the Company issued till date, for the period under audit.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them as referred to in section 192 of the Companies Act, 2013. Accordingly, paragraph 3(xv)of the Order is not applicable.

xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the provisions of the clause 3(xvi)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable.

(c) According to the information and explanations given to us and based on our examination of the records, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India; accordingly, paragraph 3(xvi)(c) of the Order is not applicable.

(d) According to the information and Explanations given to us, the group does not have any Core Investment Company (CIC) and accordingly reporting under clause 3(xvi)(d) of the order is not applicable.

xvii. In our opinion and according to the explanation given to us, the Company has not incurred any cash losses during the year and in the immediately preceding financial year; hence clause (xvii) of paragraph 3 is not applicable to the company.

xviii. There has been no resignation of the statutory auditors of the company, hence clause (xviii) of paragraph 3 is not applicable to the company.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report, and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will be discharged by the Company as and when they fall due. In our opinion and according to the explanation given to us no material uncertainty exists on the date of audit report that the company is capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date; hence clause (xix) of paragraph 3 is not applicable to the company.

xx. There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing or other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with the second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable for the year. In our opinion and according to the explanation given to us, there is no ongoing project of the company, hence clause (xx) of paragraph 3 is not applicable to the company.

xxi. The Company does not have a subsidiary, associate or joint venture. Therefore, the provisions of clause 3(xxi) of the Order are not applicable to the Company.

For **Kothari Kuldeep & Co.**
Chartered Accountants
ICAI Firm Registration No. - 015960C

CA KULDEEP KOTHARI
Partner
Membership No.: 413714
UDIN: 26413714ZBMLQ25868

Place: New Delhi
Date: 29/ 05/ 2026

Annexure - II to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements'

We have audited the internal financial controls over financial reporting of Kothari Fermentation and Biochem Limited ("the Company") as of 31 March 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained, and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and;

(3) provide reasonable assurance regarding the prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Kothari Kuldeep & Co.**
Chartered Accountants
ICAI Firm Registration No. - 015960C

CA KULDEEP KOTHARI
Partner
Membership No.: 413714
UDIN: 26413714ZBMLQ25868

Place: New Delhi
Dated: 29/05/2026

Balance sheet

as at 31 March 2026

(All amounts are in Rupees Lacs, unless otherwise stated)

	Notes	As at 31 March 2026	As at 31 March 2025
ASSETS			
Non-current assets			
Property, plant and equipment	3	8,517.15	9,197.47
Capital work-in-progress	3A	569.92	-
Financial assets			
(a) Other non-current financial assets	4	51.19	51.19
Other non-current assets	5	102.79	43.89
Total non-current assets		**9,241.05**	**9,292.55**
Current assets			
Inventories	6	2,326.76	2,355.03
Financial assets			
(i) Trade receivables	7	626.71	946.75
(ii) Cash and cash equivalents	8	30.48	24.09
(iii) Bank balances other than (ii) above	9	85.15	26.34
(iv) Other current financial assets	10	1.28	0.24
Other current assets	11	343.29	146.66
Total current assets		**3,413.67**	**3,499.11**
Total assets		**12,654.72**	**12,791.66**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	1,500.00	1,500.00
Other equity		3,894.91	4,157.14
Total equity		**5,394.91**	**5,657.14**
Liabilities			
Non-current liabilities			
Financial liabilities			
(a) Borrowings	13	4,279.66	2,673.40
Long-term provisions	14	477.17	461.56
Deferred tax liabilities (net)	15	711.71	746.11
Total non-current liabilities		**5,468.54**	**3,881.07**
Current liabilities			
Financial liabilities			
(i) Borrowings	16	509.48	1,669.06
(ii) Trade payables	17		
a) total outstanding dues of micro and small enterprises		75.71	107.20
b) total outstanding dues of creditors other than micro and small enterprises		593.19	850.62
(iii) Other financial liabilities	18	337.33	230.78
Other current liabilities	19	275.56	395.79
Total Current liabilities		**1,791.27**	**3,253.45**
Total liabilities		**7,259.81**	**7,134.52**
Total equity and liabilities		**12,654.72**	**12,791.66**
Summary of material accounting policies and other notes on financial statements	1 to 40		

The accompanying notes are an integral part of these financial statements
As per our report of even date attached.

For **M/s. Kothari Kuldeep & Co.**
Chartered Accountants
Firm Regn. No. 015960C

Sd/-
Kuldeep Kothari
Partner
Membership No - 413714
UDIN: 26413714ZBMLQ25868

Place : Delhi
Date : 29/05/2026

For and on behalf of the Board of Directors of
Kothari Fermentation and Biochem Limited

Sd/-
Pramod Kumar Kothari
Chairman & Managing Director
DIN: 00086145

Sd/-
Siddhant Kothari
Whole Time Director
DIN: 08620559

Sd/-
Arun Kumar Sekhani
Chief Financial Officer

Sd/-
Shivani
Company Secretary
ACS-72631

Statement of profit and loss

for the year ended 31 March 2026

(All amounts are in Rupees Lacs, unless otherwise stated)

	Notes	For the year ended 31 March 2026	For the year ended 31 March 2025
Revenue			
Revenue from operations	20	11,213.19	11,423.10
Other income	21	73.68	9.19
Total income		**11,286.87**	**11,432.29**
Expenses			
Cost of materials consumed	22	5,241.51	5,213.37
Changes in inventories of finished goods, stock-in-Trade and work-in-progress	24	59.16	(357.20)
Purchase of Traded Goods	23	0.89	0.44
Employee benefits expense	25	1,232.10	1,134.35
Finance costs	26	369.93	358.62
Depreciation and amortization expense	3	700.24	644.03
Other expenses	27	4,029.27	4,244.82
Total Expenses		**11,633.10**	**11,238.43**
Profit/(loss) before exceptional items and tax		(346.23)	193.86
Exceptional Items		-	
Profit before tax (VI-VII)		**(346.23)**	**193.86**
Tax expense:			
Current tax		-	30.19
Deferred tax (Charge)/Credit		(47.30)	82.68
Profit for the year (A)		**(298.93)**	**80.99**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		49.60	(20.13)
Tax relating to remeasurement of defined benefit plans		(12.90)	5.60
Total other comprehensive income for the period (B)		**36.71**	**(14.53)**
Total comprehensive income for the year (A + B)		**(262.22)**	**66.46**
Earnings per equity share	28		
Basic		(1.99)	0.54
Diluted		(1.99)	0.54
Summary of material accounting policies and other notes on financial statements	1 to 40		

The accompanying notes are an integral part of these financial statements
As per our report of even date attached.

For **M/s. Kothari Kuldeep & Co.**
Chartered Accountants
Firm Regn. No. 015960C

Sd/-
Kuldeep Kothari
Partner
Membership No - 413714
UDIN: 26413714ZBMLQ25868

Place : Delhi
Date : 29/05/2026

For and on behalf of the Board of Directors of
Kothari Fermentation and Biochem Limited

Sd/-
Pramod Kumar Kothari
Chairman & Managing Director
DIN: 00086145

Sd/-
Siddhant Kothari
Whole Time Director
DIN: 08620559

Sd/-
Arun Kumar Sekhani
Chief Financial Officer

Sd/-
Shivani
Company Secretary
ACS-72631

Cash Flow Statement

for the year ended 31 March 2026

(All amounts are in Rupees Lacs, unless otherwise stated)

Particulars		For the year ended 31 March, 2026	For the year ended 31 March, 2025
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit before tax	(346.23)	193.86
	Adjustments for:		
	Depreciation and amortization expense	700.24	644.03
	(Profit)/Loss on sale/discard of property, plant and equipment (net)	0.55	0.64
	Finance cost	369.93	358.62
	Interest Income	(73.68)	(7.39)
	Expected credit losses/ Bad Debts	-	-
	Operating Profit Before Working Capital Changes	**650.81**	**1,189.76**
	Movements in working capital :-		
	(Increase)/ Decrease in Inventories	28.27	(251.73)
	(Increase)/ Decrease in Trade and Other receivables	63.78	394.55
	Increase/ (Decrease) in Trade and other payables	(237.39)	(232.07)
	Cash used in operations	**505.47**	**1,100.51**
	Direct taxes paid	-	(30.19)
	Net Cash Flow From operating activities	**505.47**	**1,070.32**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Proceeds from sale of Property,Plant and Equipment	-	8.00
	Interest Received on Fixed Deposits & Others	73.37	7.21
	Movement in Fixed Deposits	(58.82)	(1.59)
	Purchase of Property, Plant and Equipment (including Work in Progress & Capital Advances)	(590.37)	(369.59)
	Net Cash used in investing activities	**(575.82)**	**(355.97)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds/(Repayment) of Long Term borrowings	1,348.99	(351.58)
	Proceeds from Short Term borrowings	(902.31)	(1.05)
	Interest paid	(369.93)	(358.62)
	Net Cash Flow from Financing Activities	**76.74**	**(711.25)**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**6.39**	**3.10**
	Cash and Cash Equivalents at the beginning of the year *	24.09	20.99
	Cash and Cash Equivalents at the end of the year *	30.48	24.09
		6.39	3.10
Notes	1. Cash flow from operating activities has been reported as per the Indirect Method as set out in IND AS-7.		
	2. Previous year's figures have been regrouped wherever necessary to confirm to this year's classification.		
	3. Figure in brackets indicates cash outgo		
	4. Components of cash and cash equivalents	**31st March, 2026**	**31st March, 2025**
	Cash in hand	12.47	23.28
	Cheques / Drafts on hand		
	Bank balances	18.01	0.81
	- Current account		
		30.48	24.09

This is the Statemen of Cash Flow referred to in our report of even date.

The accompanying notes are an integral part of these financial statements

As per our report of even date attached.

For **M/s. Kothari Kuldeep & Co.**
Chartered Accountants
Firm Regn. No. 015960C

Sd/-
Kuldeep Kothari
Partner
Membership No - 413714
UDIN: 26413714ZBMLQ25868

Place : Delhi
Date : 29/05/2026

For and on behalf of the Board of Directors of
Kothari Fermentation and Biochem Limited

Sd/-
Pramod Kumar Kothari
Chairman & Managing Director
DIN: 00086145

Sd/-
Siddhant Kothari
Whole Time Director
DIN: 08620559

Sd/-
Arun Kumar Sekhani
Chief Financial Officer

Sd/-
Shivani
Company Secretary
ACS-72631

Statement of Changes in Equity

for the year ended 31 March 2026

(All amounts are in Rupees Lacs, unless otherwise stated)

(a) Equity share capital

	As at 31 March 2026		As at 31 March 2025	
	No. of Shares (Lacs)	Amount	No. of Shares (Lacs)	Amount
Balance at the beginning of the year	150.00	1,500.00	150.00	1,500.00
Changes in equity share capital during the year				
Changes in equity share capital due to prior period errors				
Restated balance at the beginning of the year	-	-	-	-
Balance at the end of the reporting period	150.00	1,500.00	150.00	1,500.00

(b) Other equity

	Reserves and Surplus	Remeasurement of defined benefit plans	Total
	Retained earnings		
Balance as at 31 March,2024	**4,108.03**	**(17.35)**	**4,090.68**
Profit for the year	80.99	-	80.99
Other comprehensive income/ (loss) for the year	-	**(14.53)**	**(14.53)**
Total comprehensive income for the year	**80.99**	**(14.53)**	**66.46**
Balance as at 31 March, 2025	**4,189.02**	**(31.88)**	**4,157.14**
Profit for the year	(298.93)		(298.93)
Other comprehensive income for the year		36.71	36.71
Total comprehensive income for the year	**(298.93)**	**36.71**	**(262.23)**
Balance as at 31 March 2026	**3,890.09**	**4.83**	**3,894.91**

The accompanying notes are an integral part of these financial statements

As per our report of even date attached.

For **M/s. Kothari Kuldeep & Co.**
Chartered Accountants
Firm Regn. No. 015960C

Sd/-
Kuldeep Kothari
Partner
Membership No - 413714
UDIN: 26413714ZBMLQ25868

Place : Delhi
Date : 29/05/2026

For and on behalf of the Board of Directors of
Kothari Fermentation and Biochem Limited

Sd/-
Pramod Kumar Kothari
Chairman & Managing Director
DIN: 00086145

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Siddhant Kothari
Whole Time Director
DIN: 08620559

Sd/-
Arun Kumar Sekhani
Chief Financial Officer

Sd/-
Shivani
Company Secretary
ACS-72631

Notes to the financial statements for the year ended 31 March 2026

Reporting Entity

Kothari Fermentation and Biochem Limited, referred to as "the Company", is domiciled in India. The Company's registered office is at 16, Community Centre, 1st Floor, Saket, New Delhi-110017. The Company is a manufacturer of Yeast and its derivatives. The Factory of the Company is situated at Village Rajarampur, Industrial Area Sikandrabad, Distt. Bulandshahr in the State of U.P.

These financial statements were authorised for issue by the Board of Directors at their meeting held on 29th May, 2026.

1. Basis of Preparation

1.1 Compliance with Indian Accounting Standards (IND AS)

The financial statements of the Company comply in all material aspects with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India.

Accounting policies are consistently applied except when a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hereto in use.

1.2 Basis of measurement

The financial statements have been prepared under the historical cost convention on the accrual basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value
- Defined benefit liability/ (assets): present value of defined benefit obligation less fair value of plan assets.

1.3 Functional and presentation currency

These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency. All amounts have been rounded to the nearest Lakhs, unless otherwise indicated.

1.4 Consistency of Accounting Policy

The accounting policies are applied consistently to all the periods presented in the financial statements, except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

1.5 Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts.
- Useful life and residual value of fixed assets
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Impairment of financial assets: key assumptions used in estimating recoverable cash flows

2. Material Accounting Policies

The Ministry of Corporate Affairs (MCA) has amended Ind AS 1, mandating the disclosure of material accounting policies and removal of obscuring policy information. In compliance with these changes, the Company has disclosed all material accounting policies.

Notes to the financial statements for the year ended 31 March 2026

2.1 Property, plant, and equipment & Capital Work-in-Progress

Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any.

Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate item (major components) of property, plant and equipment. As per the assessment made by the management, fixed assets (other than building and captive power plant) does not comprise any significant components with different useful life. Any gain/loss on disposal of property, plant and equipment is recognised in Statement of Profit and Loss.

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

Depreciation

Depreciation on fixed assets is calculated on Straight Line Method using the rates arrived at based on the estimated useful lives given in Schedule II of the Companies Act, 2013 or re-assessed by the Company on technical basis, as given below.

Assets	Useful lives estimated by the management
Factory and other buildings	30-60 Years
Plant & Machinery	10-18 Years
Factory, R&D and office equipments	5-10 Years
Furniture & Fixtures	10 Years
Vehicles	8 Years
Air conditioner	10 Years
Computers	3 years

Leasehold land is not being amortised over the period of lease tenure. Additions on rented premises are being amortised over the period of rent agreement.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively. Individual assets costing below ₹5000 are fully depreciated in the year of purchase as these assets have no significant useful life.

De-Recognition

An item of property, plant, and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Capital work-in-progress

Capital work-in-progress assets in the course of construction for production or/and supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

2.2 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

Notes to the financial statements for the year ended 31 March 2026

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit & Loss.

2.3 Employee benefits

a. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The company has following defined contribution plans:

a) Provident fund b) Gratuity

c. Defined benefit plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item employee benefits expense.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

d. Other long-term employee benefits

Employee benefits in the form of long term compensated absences are considered as long-term employee benefits. The company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise. The liability for long term compensated absences is provided on an actual basis.

2.4 Revenue Recognition

a. Revenue from Contracts with customers

The company derives revenue from sale of "Yeast".

Notes to the financial statements for the year ended 31 March 2026

IND AS -115 "Revenue from Contracts with customers" Provides a control-based revenue recognition model and provides a five-step application approach to be followed for revenue recognition.

- Identify the contract(s) with a customer;
- Identify the performance obligations;
- Determine the transaction price;
- Allocate the transaction price to performance obligations;
- Recognize revenue when or as an entity satisfies performance obligation.

Trade receivables are measured at their transaction price unless it contains a significant financing component in accordance with Ind AS 115 (or when the entity applies the practical expedient) or pricing adjustments embedded in the contract.

b. The Company recognises revenue from sale of goods when the title has been passed and all of the following conditions are satisfied:

   i) The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

   ii) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

   iii) The amount of revenue can be measured reliably;

   iv) It is probable that the economic benefits associated with the transaction will flow to the Company; and

   v) The costs incurred or to be incurred with respect to the transaction can be measured reliably.

   Sales of goods are recognized at the point of dispatch from the factory to customers and sales from Depot are recognized at the time of billing to the customers. Sales are net of returns, rebates, trade discounts, rate differences, damaged goods, and exclusive of taxes.

c. Revenue (other than sale) is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Export incentives and subsidies are recognized when the Company has complied with the conditions and there is a reasonable assurance the incentive will be received. Claim on insurance companies and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on Receipt basis.

2.5 Inventories

i. Inventories are valued as follows:

Raw materials, stores and spares	Lower of cost and net realisable value. Cost is determined on a weighted average basis. Materials and other items held for use in the production of inventories are not written down below costs, if finished goods in which they will be incorporated are expected to be sold at or above cost.
Work-in-progress	Lower of cost and net realisable value. Cost includes direct materials, labour and a proportion of attributable overheads
Waste	At net realisable value

ii. Provision for obsolete/ old inventories is made, wherever required.

2.6 Provisions and contingencies, Contingent liabilities and Contingent Assets

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

Notes to the financial statements for the year ended 31 March 2026

2.7 Financial Instruments

(i) Fair Value Measurement

a. Financial instruments

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

b. Equity Investments

Fair value for listed shares is based on quoted market prices as of the reporting date. Fair value for unlisted shares is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow-based models. If fair value cannot be measured reliably unlisted shares are recognized at cost.

(ii) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign exchange forward contracts and interest rate swaps.

a. Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input). In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price under Ind AS 115 "Revenue from Contracts with Customers".

Subsequent Measurement

Measurement

The company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial Assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- It is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Financial Assets at fair value through Other Comprehensive Income (FVOCI)

Financial Assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

Notes to the financial statements for the year ended 31 March 2026

Financial Assets at fair value through profit and loss (FVTPL)

Any Financial Asset, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the company may elect to classify a financial asset, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial Assets included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

b. Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input). In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

Notes to the financial statements for the year ended 31 March 2026

Subsequent measurement

Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risks are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

De-recognition

The company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

c. **Equity Instruments**

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. All other Financial Instruments are classified as measured at FVTPL.

2.8 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

i. **Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

a) Has a legally enforceable right to set off the recognised amounts; and
b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. **Deferred tax**

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Due to uncertainty, MAT Credit shall be accounted for as and when utilised under the Income-tax Act

2.9 Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether, (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The company applies a single recognition and measurement approach for all leases, except for leasehold land, short-term leases (twelve month or less) and leases of low-value. For short-term and leases of low value, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Leasehold land is carried at the acquisition cost i.e. one-time lease premium paid at the time of acquisition of leasehold rights. For all other leases, the Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments, or a change in the assessment of an option to purchase the underlying asset.

Lease liability and ROU asset, if any, have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Leasehold Land represents land allotted by U P State Industrial Development Corporation Ltd. for 90 years on leasehold basis and is recognised at cost.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of twelve months or less.

For the purposes of the Statement of Cash Flow, cash and cash equivalents is as defined above. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.11 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its Standalone financial statements. Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2026, MCA has not notified any new standards or amendments to the existing standards applicable to the Company and its associates.

2.12 New and amended standards issued but not effective:

There are no new and amended standards that are issued but not yet effective as of 31st March, 2026.

Notes to the financial statements for the year ended 31 March 2026

(All amounts are in Rupees Lacs, unless otherwise stated)

3. Property, plant and equipment

Particulars	Gross Block				Depreciation				Net Block	
	As at 31 March 2025	Additions	Deletions	As at 31 March 2026	As at 31 March 2025	For the Year	Deletions	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026
Tangible Assets										
Freehold land	23.77			23.77	-	-	-	-	23.77	23.77
Leasehold land*	54.86			54.86	-	-	-	-	54.86	54.86
Building	346.75			346.75	219.78	3.99	-	223.77	126.97	122.98
Plant and equipment	14,218.54			14,218.54	5,331.54	672.33	-	6,003.87	8,887.00	8,214.67
Vehicles	226.25	13.55	1.08	238.71	179.80	14.58	(0.83)	193.55	46.45	45.17
Effluent Treatment Plant	532.75			532.75	503.19	1.35	-	504.54	29.53	28.21
R & D Laboratory Equipments	28.48			28.48	24.77	1.19	-	25.96	3.71	2.52
Furniture and fixtures	39.50	0.69	0.14	40.06	31.74	1.76	(0.08)	33.42	7.76	6.64
Factory equipments	3.94	0.17		4.11	3.72	0.01	-	3.73	0.23	0.38
Computers	-			-	-		-	-	-	-
Office equipments	117.65	6.05	1.99	121.71	100.46	5.04	(1.74)	103.76	17.19	17.95
Total	**15,592.49**	**20.45**	**3.20**	**15,609.73**	**6,395.01**	**700.24**	**(2.65)**	**7,092.59**	**9,197.47**	**8,517.15**
Capital work-in-progress	-	569.92	-		-	-	-	-	-	569.92
Total	**15,592.49**	**590.37**	**3.20**	**15,609.73**	**6,395.01**	**700.24**	**(2.65)**	**7,092.59**	**9,197.47**	**9,087.07**

Note :

1. all the above property,plant and equipment are owned by the group.
2. Depreciation on property, plant and equipment has been included under 'depreciation and amortization expense' In the statement of profit and loss.
3. Property Plant and equipment given as security for borrowing (refer note No. 13 & 16)

3A 1. Age wise details of Capital work in progress

Particulars	As at 31 March 2026	As at 31 March, 2025
Project in progress	569.92	
< 1 Year	-	-
1-2 Year	-	-
2-3 Year	-	-
> 3 Year	-	-
	-	-
	569.92	-

Notes to the financial statements for the year ended 31 March 2026

(All amounts are in Rupees Lacs, unless otherwise stated)

	Particulars	As at 31 March 2026	As at 31 March, 2025
4	**Other non-current financial assets**		
	(Unsecured, Considered Good)		
	Security Deposits	51.19	51.19
	Bank balance on deposit accounts	-	-
		51.19	**51.19**
5	**Other non-current assets**		
	(Unsecured, Considered Good)		
	Capital Advance	102.79	43.89
	Interest accrued but not due	-	-
		102.79	**43.89**
6	**Inventories**		
	(Valued at lower of cost or net realisable value except waste at net realisable value)		
	Raw Materials & Components	333.97	326.78
	Work-in-Progress	1,478.50	1,545.23
	Finished Goods	114.04	106.46
	Stores & Spares	383.24	358.29
	Others	17.01	18.27
		2,326.76	**2,355.03**
7	**Trade receivables**		
	Unsecured		
	Considered Good	626.71	946.75
	Others	-	-
	Credit Impaired	61.92	13.81
		688.62	**960.56**
	Less : Allowances for credit losses	61.92	13.81
		626.71	946.75

(a) Trade Receivables are hypothecated to secured short term borrowings (Refer note 16)

(b) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.

Further no trade or other receivables are due from firms or private companies respectively in which any director is a partner, or director or member.

Notes to the financial statements for the year ended 31 March 2026

(All amounts are in Rupees Lacs, unless otherwise stated)

(c) Trade Receivables aging schedule

As at March 31, 2026	Outstanding for following periods from due date of payment						
	Not due	Up-to 6 Month	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed							
Considered good		596.74	9.28	1.10	8.25	11.34	626.71
which have significant increase in credit risk							-
Credit Impaired				46.45	4.13	11.34	61.92
Disputed							-
Considered good							-
which have significant increase in credit risk							-
Credit Impaired						-	-

As at March 31, 2025	Outstanding for following periods from due date of payment						
	Not due	Up-to 6 Month	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed							
Considered good		916.96	6.32	9.34	7.23	6.90	946.75
which have significant increase in credit risk							-
Credit Impaired				1.03	5.88	6.90	13.81
Disputed							
Considered good							-
which have significant increase in credit risk							-
Credit Impaired							-

* Ageing of debtor on FIFO basis of payments

	Particulars	As at 31 March 2026	As at 31 March, 2025
8	**Cash and cash equivalents**		
	Balances with Banks		
	in Current Accounts with Scheduled Bank	18.01	0.81
	Cash on hand	12.47	23.28
		30.48	**24.09**
9	**Other bank balances**		
	Earmarked balances with banks:		
	in Depsosit Accounts held as Margin Money	85.15	26.34
		85.15	**26.34**
10	**Other current Financial assets**		
	(Unsecured, Considered Good)		
	Interest Accrued on deposits	1.28	0.24
		1.28	**0.24**

Notes to the financial statements for the year ended 31 March 2026

(All amounts are in Rupees Lacs, unless otherwise stated)

	Particulars	As at 31 March 2026	As at 31 March, 2025
11	**Other Current assets**		
	(Unsecured, Considered Good)		
	Advances Recoverable in cash or in kind	150.62	77.87
	Prepaid Expenses	13.63	5.88
	Recoverable from Statutory Authorities	179.04	62.91
		343.29	**146.66**
12	**Share capital**		
	Authorised:		
	1,50,00,000 (Previous Periods 1,50,00,000) Equity Shares of ₹ 10/- each	1,500.00	1,500.00
	Issued, subscribed & fully paid up:		
	1,50,00,000 (Previous Periods 1,50,00,000) Equity Shares of ₹ 10/- each	1,500.00	1,500.00
		1,500.00	**1,500.00**

a. Terms and rights attached to equity shares

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders. There is no restriction on distribution of dividend. However same other than interim dividend, is subject to the approval of the shareholders in the Annual General Meeting.

b. Reconciliation of number of shares outstanding at the beginning and end of the year :

Equity Shares outstanding as at 01.04.2025	1,50,00,000
Equity Shares allotted during the year	-
Equity Shares outstanding as at 31.03.2026	1,50,00,000

c. Shareholders holding more than 5% shares in the company

Name of shareholder	As at 31st March, 2026		As at 31st March, 2025	
	Numbers of Shares held	Percentage of Holding	Numbers of Shares held	Percentage of Holding
(i) Sidhhant Kothari	37,27,000	24.85	37,27,000	24.85
(ii) Chaudhry Brother Traders & Builders Pvt. Ltd.	20,38,998	13.59	24,58,199	16.39
(iii) Pramod Kumar Kothari-HUF	24,51,100	16.34	24,51,100	16.34

d. Details of Shareholding of Promoters:

Shares held by promoters at the end of the year	As at 31st March, 2026			As at 31st March, 2025		
	Number of shares	% of shares	% increase/ (decrease) during the year	Number of shares	% of shares	% increase/ (decrease) during the year
Pramod Kumar Kothari	714200	4.76	0	714200	4.76	0
Pramod Kumar Kothari HUF	2451100	16.34	0	2451100	16.34	0
Kavita Devi Kothari	730800	4.87	0	730800	4.87	0
Sampat Devi Kothari	366417	2.44	0	366417	2.44	0
Siddhant Kothari	3727000	24.85	0	3727000	24.85	0
Motilal Kothari HUF	301800	2.01	0	301800	2.01	0
Chaudhry Brothers Traders and Builders Private Limited	2038998	13.59	0	2458199	16.39	0

Notes to the financial statements for the year ended 31 March 2026

(All amounts are in Rupees Lacs, unless otherwise stated)

	Particulars		As at 31 March 2026	As at 31 March, 2025
13	**Borrowings**			
	(i) Secured			
	(a) Term Loans From a Bank		2,096.41	664.86
	(b) Vehicle Loan From a Bank		19.31	8.83
			2,115.72	**673.70**
	Less : Current maturity of long term borrowings disclosed under "Short Term Borrowings" (Refer Note no.- 16)		133.00	390.27
		Total (i)	**1,982.72**	**283.43**
	(ii) Unsecured			
	- from Others (Unsecured) (From Related Party)	**Total (ii)**	2,286.94	2,379.97
	- from Others (Unsecured)		10.00	10.00
		Total (i+ii)	**4,279.66**	**2,673.40**

a. Securities

(a) Loan outstanding at the end of current financial year of ₹ 126.89 Lakhs (As at 31st March 2025 ₹ 384.41 Lakhs), carrying interest @ 9.25 % p.a.- 9.50% p.a., is repayable in monthly intallments as per the terms of sanction. The same is secured by immovable property owned by the company, and also secured by personal guarantee of three directors of the Company. Loans taken for purchase/ installation of various plant & machinery and other fixtures, including Loan against property outstanding at the end of the current financial year of ₹ 2096.41 (As at 31st March' 2025 ₹ 664.86) carries interest @ 9.25% to 12.75% p.a. The same is repayable in monthly installments as per the terms of sanction and secured by hypothecation of the respective plant and machinery and other fixtures required for its operations.

(b) Secured by hypothecation of the vehicle financed

b. Terms of Repayments of Non-Current Portion:

Rate of Interest	Repayment Periodicity	Installments Outstanding		Total Amount	
		As at 31st March' 2026	As at 31st March' 2025	As at 31st March' 2026	As at 31st March' 2025
9.25% to 12.75% (previous year 10.85 to 12.75%) linked with MCLR*	Monthly Graded	13 to 168	2 to 28	1,439.93	283.43

	Particulars	As at 31 March 2026	As at 31 March, 2025
14	**Long-term provisions**		
	Provision for employee benefits	477.17	461.56
		477.17	**461.56**

Notes to the financial statements for the year ended 31 March 2026

(All amounts are in Rupees Lacs, unless otherwise stated)

15 Deferred tax liabilities (net)

A. Movement in deferred tax balances

	As at 31 March 2025	Recognized in P&L	Recognized in OCI	As at 31 March 2026
Deferred Tax Assets				
MAT Credit Entitlement @	295.51	-		295.51
Employees Separation and Retirement Exp.	113.05	4.91	(12.90)	105.06
Accrued expenses allowable on payment basis	25.39	3.06		28.45
Sub- Total (a)	**433.95**	**7.97**	**(12.90)**	**429.02**
Deferred Tax Liabilities				
Property, plant and equipment: Impact of difference in depreciation in tax account and depreciation/amortization for financial reporting	1,180.06	(39.33)		1,140.73
Sub- Total (b)	**1,180.06**	**(39.33)**	**-**	**1,140.73**
Net Deferred Tax Liability (b)-(a)	**746.11**	**(47.30)**	**12.90**	**711.71**

	As at 31 March 2024	Recognized in P&L	Recognized in OCI	As at 31 March 2025
Deferred Tax Assets				
MAT Credit Entitlement @	265.32	30.19		295.51
Employees Separation and Retirement Exp.	89.58	17.87	5.60	113.05
Other Timing Differences	22.96	2.43		25.39
Sub- Total (a)	**377.86**	**50.49**	**5.60**	**433.95**
Deferred Tax Liabilities				
Property, plant and equipment: Impact of difference in depreciation in tax account and depreciation/amortization for financial reporting	1,046.89	133.17		1,180.06
Sub- Total (b)	**1,046.89**	**133.17**	**-**	**1,180.06**
Net Deferred Tax Liability (b)-(a)	**669.03**	**82.68**	**(5.60)**	**746.11**

@The Company has recognised MAT Credit Entitlement. The Company has concluded that the deferred tax assets on MAT Credit Entitlement will be recoverable using the estimated future taxable income based on the approved business plans and budgets. The Company is expected to generate taxable income in near future. The MAT Credit Entitlement can be carried forward as per local tax regulations and the Company expects to recover the same in due course.

Notes to the financial statements for the year ended 31 March 2026

(All amounts are in Rupees Lacs, unless otherwise stated)

B. Amounts recognised in profit or loss

Particulars	For the year ended 31 March 2026	For the year ended 31 March, 2025
Current tax expense	-	30.19
Current year	-	-
Deferred tax expense		
Origination and reversal of temporary differences	(47.30)	112.87
MAT Credit Entitlement	-	(30.19)
	(47.30)	**82.68**
Total Tax Expense	**(47.30)**	**112.87**

C. Amounts recognised in Other Comprehensive Income

	For the year ended 31st March, 2026			For the year ended 31st March, 2025		
	Before tax	Tax (Expense)/ Income	Net of tax	Before tax	Tax (Expense)/ Income	Net of tax
Remeasurements of defined benefit liability	49.60	(12.90)	36.71	(20.13)	5.60	(14.53)
	49.60	**(12.90)**	**36.71**	**(20.13)**	**5.60**	**(14.53)**

D. Reconciliation of Income Tax Expense

	For the year ended 31 March 2026 Amount	For the year ended 31 March, 2025 Amount
Profit before tax from continuing operations	(346.23)	193.86
Tax using the Company's domestic tax rate @ 26.00% (31 March 2023: 27.82 %)	-	53.93
Tax effect of:		
Non-deductible expenses	4.91	17.87
Others	(52.21)	41.07
Income tax expenses reported in the statement of profit and loss	**(47.30)**	**112.87**

16	**Short term borrowings**		
	Current maturities of long-term debt	133.00	390.27
	Loan repayable on demand (Secured)*		
	- From banks	376.48	1,278.80
		509.48	**1669.07**

* The short-term borrowings from banks w.e.f October 2025 are secured by immovable property owned by the company and also secured by personal guarantee of three directors of the Company. The Working Capital Facilities from banks upto September 2025 are secured by hypothecation of moveable's including book debts, both present and future, of the Company, ranking pari-passu inter se. (Refer Note no.40)

17	**Trade Payables**		
	For Goods and Services (including acceptances) - Other Than Micro and Small Industries	593.19	850.62
	For Goods and Services (including acceptances) - Micro and Small Industries*	75.71	107.20
		668.90	**957.82**

Notes to the financial statements for the year ended 31 March 2026

(All amounts are in Rupees Lacs, unless otherwise stated)

17.1 Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME), have been determined based on the information availablewith the company and the details of amount outstanding due to them are as given below *:

		For the year ended 31 March 2026 Amount	For the year ended 31 March, 2025 Amount
a	(i) Principal amount remaining unpaid to any supplier as on	75.71	107.20
	(ii) Interest due on Principal amount remaining unpaid to any supplier as on	-	-
b	Interest paid by the company in terms of section 16 of the MSME Act along with the amounts of the payment made to the supplier beyond the appointed day	-	-
c	the amount of interest due and payable for the year of delay in making payament (which have been paid but beyond the appointed day during the year) but without adding the interst specified under this act	-	-
d	the amount of interest accrued and remaining unpaid during the accounting year	-	-
e	The amount of further interest remaining due and payable even in the succeeding years, 'untile such date when the interest dues above are actually paid to the small enterprise for purpose of disallowance as a deductible expenditure under section 23 of this act.	-	-

***the necessary disclosure required under MSME Act, 2006 are being made accordingly. However, the company generally makes payment to its suppliers within agreed credit period and thus the management is confident that the liability of interest under this Act, if any, would not be material.Further based on the assessment the management has not provided Interest on dues outstanding to MSMEs for more than 45 Days.**

17.2

As at March 31, 2026	Outstanding for following periods from due date of payment					
	Not due	Up-to 1 year	1-2 Years	2-3 Years	More than 3 year	Total
i) MSME	-	75.71	-	-	-	75.71
ii) Others	-	591.42	-	1.77	-	593.19
iii) Disputed dues-MSME	-	-	-	-	-	-
iv) Disputed dues-others	-	-	-	-	-	-
Total	**-**	**667.13**	**-**	**1.77**	**-**	**668.90**

As at March 31, 2025	Outstanding for following periods from due date of payment					
	Not due	Up-to 1 year	1-2 Years	2-3 Years	More than 3 year	Total
i) MSME	-	84.56	22.63	-	-	107.20
ii) Others	-	846.69	3.93	-	-	850.62
iii) Disputed dues-MSME	-	-	-	-	-	-
iv) Disputed dues-others	-	-	-	-	-	-
Total	**-**	**931.26**	**26.56**	**-**	**-**	**957.82**

Notes to the financial statements for the year ended 31 March 2026

(All amounts are in Rupees Lacs, unless otherwise stated)

		As at 31 March 2026	As at 31 March, 2025
18	**Other financial liabilities**		
	Creditors for capital goods - Others	317.01	226.35
	Creditors for capital goods - MSME	20.32	4.43
		337.33	**230.78**

		As at 31 March 2026	As at 31 March, 2025
19	**Other current liabilities**		
	Credit balance and advances received from customers	108.09	49.64
	Statutory dues	23.25	128.17
	Others	144.22	217.98
		275.56	**395.79**

		For the year ended 31 March 2026	For the year ended 31 March, 2025
20	**Revenue from operations**		
	Sale of products	11,181.85	10,720.78
	Other operating income	31.34	702.32
	Revenue from Operations (Net)	**11,213.19**	**11,423.10**
21	**Other Income**		
	Interest income	4.05	7.39
	Excess provisions and unspent liabilities written back	69.63	1.80
		73.68	**9.19**
22	**Cost of materials consumed**		
	Raw material Consumed	5,241.51	5,213.37
		5,241.51	**5,213.37**
23	**Traded Goods**		
	Purchase of Traded Goods	0.89	0.45
		0.89	**0.45**
24	**Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods**		
	Closing Inventory		
	Work-in-Progress	1,478.50	1,545.23
	Finished Goods	114.04	106.46
	Total (A)	**1,592.53**	**1,651.69**
	Opening Inventory		
	Work-in-Progress	1,545.23	1,196.37
	Finished Goods	106.46	98.12
	Total (B)	**1,651.69**	**1,294.49**
	Total (B-A)	**59.16**	**(357.20)**
25	**Employee benefits expense**		
	Salaries, Wages and Bonus	1,028.96	974.52
	Contribution to provident and other funds	137.92	101.05
	Staff welfare expenses	65.22	58.78
		1,232.10	**1,134.35**

Notes to the financial statements for the year ended 31 March 2026

(All amounts are in Rupees Lacs, unless otherwise stated)

		For the year ended 31 March 2026	For the year ended 31 March, 2025
26	**Finance cost**		
	Interest expenses	351.89	351.18
	Other borrowing costs	18.05	7.43
		369.93	**358.62**
27	**Other expenses**		
	Consumption of stores and spares	238.18	310.31
	Power, fuel and water charges	2,695.25	2,767.23
	Research & Development	62.81	49.34
	Repairs & Maintenance		
	- Building	17.37	19.98
	- Plant & Machinery	236.41	211.08
	- Others	15.19	23.33
	Security Expenses	28.59	30.89
	Rent	20.72	16.36
	Insurance	28.79	23.72
	Rates and taxes	8.19	10.05
	Printing,Postage & Telephone	20.44	19.12
	Travelling & Conveyance	58.21	45.91
	Legal & Professional Charges	20.26	30.03
	Vehicle Running & Maintenance	21.06	21.91
	Auditors Remuneration #	4.01	3.91
	Bad Debts/ Claims	0.15	0.03
	Handling, Forwarding & Transportation	437.92	449.64
	Loss on Sale of Assets	0.55	0.64
	Exchange Rate Flactuation	-	3.41
	Miscellaneous expenses ^	67.05	207.94
	Provision for Expected Credit loss	48.11	-
		4,029.27	**4,244.82**
	#Details of payments to auditors		
	As auditor:		
	Statutory audit fee	2.26	2.26
	Tax audit fee	0.45	0.45
	For limited review	1.20	1.20
		3.91	**3.91**
28	**Earning per share**		
	Total profit for the year	(298.93)	80.99
	Weighted average number of equity shares of ₹ 10/- each (Nos)	1,50,00,000.00	1,50,00,000.00
	EPS - Basic and Diluted (per share in ₹)	**(1.99)**	**0.54**

Notes to the financial statements for the year ended 31 March 2026

(All amounts are in Rupees Lacs, unless otherwise stated)

			As at 31 March 2026	As at 31 March, 2025
29	**Contingent liabilities, contingent assets and commitments**			
A.	**Contingent liabilities (not provided for) in respect of:**			
	(a)	Demand of Income Tax as shown on Income Tax Portal, under Income Tax Act disputed in Appeal*	1,523.48	1438.92
	(b)	Outstanding Bank Guarantees	164.36	168.99
	i)	*The management based on its assessment of facts, outcome of cases with tax authorities with similar issues and legal advice believes that the Company has a strong chance of favourable decision in above case, hence no provision has been considered necessary for this demand or any interest & penalty.The Company has appealed against the order of The Income Tax Department before the appropriate appeallate authority. The matter is also under consideration before Hon'ble Delhi High Court and the company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. The income tax demand of ₹ 1523.48 Lakhs was shown on the Income Tax Portal, includes Tax amount of ₹ 376.17 Lakhs (PY ₹ 376.17 Lakhs) and Interest of ₹ 1147.31 Lakhs (PY ₹ 1062.75 Lakhs).		
	ii)	It is not practicable for the Company to estimate the timings of cash outflows,if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.		
	iii	The Company has given Bank Guarantees in respect of certain contingent liabilities included above.		
B.	**Commitments**			
	Estimated amount of Contracts remaining to be executed on Capital Account [Net of Advances] not provided for		141.24	59.63

30 Segment Reporting

According to Ind AS 108, the identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The Business activity of the company primarily falls in a single business segment viz 'Yeast' and it has expanded into cattle feed product which has a strong synergy with the company's core business. Considering the interlinked nature of the products, the resources are allocated across the company interchangeably and business performance is reviewed as one segment. Thus, in accordance with IND AS-108 – segment reporting, the company's business segment comprises of a single reportable operating segment of "Yeast".

31 Leases

The Disclosure Pursuant of IND AS -116 "Leases" are given herein below:

(i) Effective From April 1, 2019 , The company has adopted IND AS 116 "Leases" Using Modified retrospective approach. There is no material impact on transition to IND AS 116 . further no right of use assets and lease liability was required to be recognized.

(ii) Following is the summary of Practical Expedients elected on intial application:

- (a) The company has not reassesed whether a contract is or contains a lease on the date of Intial application
- (b) The company has applied the exemption avaialble for short term leases (less than 12 months) and leases for low value assets
- (c) The company has used hindsight in determining the leaseterm where the contract contained options to extend or terminate the lease
- (d) The company has relied on its previous assessment on whether the leases are onerous

(iii) Rental Expenses recorded for Short term leases was ₹ 20.72 lacs for the year ended March 31, 2026

32 Borrowing Cost

During the year, the company has capitalized borrowing cost of ₹ Nil (Previous year ₹ Nil). The capitalisation rate used to determine the amount of borrowing cost to be capitalized is the weighted average interest rate applicable to the entity's general borrowing including term loan and working capital during the year is ~ Nil (Previous Year ~ Nil).

Notes to the financial statements for the year ended 31 March 2026

(All amounts are in Rupees Lacs, unless otherwise stated)

33 Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. During the year the Company has contributed to Government Provident Fund ₹ 56.42 (Previous year ₹ 55.46).

(ii) Defined Benefit Plan:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity liabilty is being contributed to the Group Gratuity-cum-life Assurance Cash Accumulation Policy administered by the LIC of India.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2026. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	31 March 2026	31 March, 2025
Net defined benefit (liability) / asset	(404.10)	(406.38)
Liability for Gratuity		
Non-current	350.20	345.80
Current	58.42	62.85

B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

	31 March 2026			31 March, 2025		
	Defined benefit obligation	Fair value of plan assets	"Net defined benefit (asset)/ liability"	Defined benefit obligation	Fair value of plan assets	"Net defined benefit (asset)/ liability"
Balance as at 1 April	408.67	2.27	406.39	356.63	12.09	344.54
Included in profit or loss						
Service costs	22.89		22.89	21.69	-	21.69
Interest cost / (income)	27.58	(0.16)	27.42	25.85	(0.82)	25.04
	50.47	**(0.16)**	**50.31**	**47.54**	**(0.82)**	**46.74**
Included in OCI						
Premeasurements loss / (gain)						
Actuarial loss / (gain) arising from:						
- demographic assumptions				-	-	-
- financial assumptions	(5.87)		(5.87)	11.41	-	11.41
- experience adjustment	(43.65)		(43.65)	8.34	-	8.34
- on plan assets		(0.08)	(0.08)	-	0.38	0.38
	(49.52)	**(0.08)**	**(49.60)**	**19.74**	**0.38**	**20.12**

Notes to the financial statements for the year ended 31 March 2026

(All amounts are in Rupees Lacs, unless otherwise stated)

	31 March 2026			31 March, 2025		
	Defined benefit obligation	Fair value of plan assets	"Net defined benefit (asset)/ liability"	Defined benefit obligation	Fair value of plan assets	"Net defined benefit (asset)/ liability"
Other						
Contributions paid by the employer		3.00	(3.00)		5.00	(5.00)
Benefits paid	(1.00)	(1.00)	-	(15.24)	(15.24)	-
Acquisition adjustment			-	-	-	-
	(1.00)	2.00	(3.00)	(15.24)	(10.24)	(5.00)
Balance as at 31 March	**408.62**	**4.52**	**404.10**	**408.67**	**2.27**	**406.39**

C. Plan assets

	31 March 2026	31 March, 2025
Fund managed by insurer	100%	100%
	100%	**100%**

D. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31 March 2026	31 March, 2025
Discount rate	7.00%	6.75%
Salary Growth Rate	8.00%	8.00%
Mortality (% of ILAM 2012-14)	100%	100%

Assumptions regarding future mortality have been based on published statistics and mortality tables.

E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31 March 2026		31 March, 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(23.79)	26.61	(23.97)	26.87
Expected rate of future salary increase (1% movement)	26.08	(23.79)	26.29	(23.91)

Sensitivities due to mortality & withdrawals are insignificant & hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

F. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow -

A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

C) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

Notes to the financial statements for the year ended 31 March 2026

(All amounts are in Rupees Lacs, unless otherwise stated)

34 Related parties

In accordance with the requirements of Ind AS 24 "Related Party Disclosures", name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are as detail below:

A. Related parties and their relationships

i Member of Board of Directors/ Key Managerial Personnel (KMP)

Name	Relationship
Mr. Pramod Kumar Kothari	Managing Director
Mrs. Kavita Kothari	Director (Wife of Mr. Pramod Kumar Kothari)
Mr. Siddhant Kothari	Director (Son of Mr. Pramod Kumar Kothari)
Mr. Hemendra Patsingh Dugar	Non Executive Independent Director
Mr. Piyush Kumar Goel	Non Executive Independent Director
Mr. Varun Kumar	Non Executive Independent Director
Mr. Arun Kumar Sekhani	Chief Financial Officer
Ms. Shivani	Company Secretary

ii. Enterprise over which Key Management Personnel and their relatives exercise significant influence and with whom transactions have taken place during the year

Chaudhry Bros. Traders and Builders Pvt. Ltd.

Kothari Thermoplast Pvt. Ltd.

Glocom Impex Private Limited

Zeal Mining Limited

B. Transactions with the above in the ordinary course of business

a) Payments to Key Managerial Personnel and their relatives

			Key Managerial Personnel For the year ended (₹ In lacs)	
Name	**Nature**	**Category**	**31 March 2025**	**31 March 2026**
Mr. Pramod Kumar Kothari	Directors' Remuneration	Short Term Employee Benefits	48.00	48.00
	Rent Paid	Others		
Mrs. Kavita Kothari	Directors' Remuneration	Short Term Employee Benefits	45.00	45.00
	Rent Paid	Others	-	
Mr. Siddhant Kothari	Salary	Short Term Employee Benefits	14.40	13.90
	Advance	Others		
Chief Financial Officer	Salary	Short Term Employee Benefits	9.82	9.79
Company Secreatary	Salary	Short Term Employee Benefits	6.88	4.51
Compliance Officer	Profession Fees	Short Term Employee Benefits	-	2.50

The above said remuneration is excluding provision for Gratuity & Leave Encashment, where the actuarial valuation is done on overall Company basis.

Notes to the financial statements for the year ended 31 March 2026

(All amounts are in Rupees Lacs, unless otherwise stated)

b) With Enterprises over which Key Management Personnel or his relative are able to exercise significant influence are as under

Chaudhry Bros. Traders and Builders Pvt. Ltd		
Rent paid	15.00	13.95
Loan taken	374.00	591.90
Interest paid	121.67	95.18
Kothari Thermoplast Pvt. Ltd.		
Loan taken	-	22.00
Interest paid	6.34	6.27
Glocom Impex Private Limited		
Loan taken	49.65	27.00
Interest Paid	10.07	12.16
Zeal Mining Limited		
Sale of Goods or Services	-	46.18

c) Closing Balance with Enterprises over which Key Management Personnel or his relative are able to exercise significant influence are as under

Closing Balance		31 March 2026	31 March 2025
Chaudhry Bros. Traders and Builders Pvt. Ltd.	Inter Corporate Loans	1971.73	1804.01
Kothari Thermoplast Pvt. Ltd.	Inter Corporate Loans	112.17	105.83
Glocom Impex Private Limited	Inter Corporate Loans	195.17	172.15
Zeal Mining Limited	Sales of goods or Services	46.18	46.18

35 Financial instruments

I. Fair value measurements

A. Following table shows the carrying amounts and fair values of financial assets and financial liabilities:

	As at 31 March 2026		As at 31 March 2025	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Loans				
Non Current	-	-	-	-
Current				
Trade receivables	-	626.71	-	946.75
Cash and cash equivalents	-	30.48	-	24.09
Bank balances other than above	-	85.15		26.34
Others				
Non Current	-	51.19	-	51.19
Current	-	1.28	-	0.24
	-	**794.80**	**-**	**1,048.42**
Financial liabilities				
Long Term Borrowings	-	4,279.66	-	2,673.40
Other non-current financial liabilities	-	-		
Short terms borrowings	-	509.48	-	1,669.06
Trade payables	-	668.90	-	957.82
Other current financial liabilities	-	337.33	-	230.78
	-	**5,795.37**	**-**	**5,531.07**

Notes to the financial statements for the year ended 31 March 2026

(All amounts are in Rupees Lacs, unless otherwise stated)

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

There are no financial assets or financial liabilities which are required to be measured at fair value using recurring fair value measurements

Financial assets and liabilities measured at fair value - recurring fair value measurements

	As at 31 March 2026			
	Level 1	Level 2	Level 3	Total
Financial assets				-
Financial liabilities	-	-	-	-
Total financial liabilities	-	-	-	-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year.

C. Fair value of financial assets and liabilities measured at amortised cost

	As at 31 March 2026		As at 31 March 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Other non-current financial assets	51.19	51.19	51.19	51.19
Trade receivables	626.71	626.71	946.75	946.75
Cash and cash equivalents	30.48	30.48	24.09	24.09
Bank balances other than above	85.15	85.15	26.34	26.34
Other current financial assets	1.28	1.28	0.24	0.24
	794.80	**794.80**	**1,048.60**	**1,048.60**
Financial liabilities				
Borrowings	4,279.66	4,279.66	2,673.40	2,673.40
Other non-current financial liabilities	-	-	-	-
Short term borrowings	509.48	509.48	1,669.06	1,669.06
Trade payables	668.90	668.90	957.82	957.82
Other current financial liabilities	337.33	337.33	230.78	230.78
	5,795.37	**5,795.37**	**5,531.07**	**5,531.07**

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

The fair values for loans, security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit.

Notes to the financial statements for the year ended 31 March 2026

(All amounts are in Rupees Lacs, unless otherwise stated)

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;

- liquidity risk; and

- market risk"

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of property defined framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the Management of the Company.

More than 60 % of the Company's customers have been transacting with the Company for over four years, and no impairment loss has been recognized against these customers. In monitoring customer credit risk, customers are reviewed according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach as permitted by IND AS-109 for the purpose of computation of expected credit loss for trade receivables.

Notes to the financial statements for the year ended 31 March 2026

(All amounts are in Rupees Lacs, unless otherwise stated)

The carrying amount net of loss allowances of trade receivables is ₹ 626.71 (31 March 2025– ₹ 946.75).

Ageing of trade receivables are as under:-

Particulars	Less than 6 months	6-12 months	More than 12 months	Total
As at 31.03.2026	596.74	9.28	20.69	626.71
As at 31.03.2025	916.96	6.32	23.47	946.75

The Company management also pursue all legal option for recovery of dues wherever necessary based on its internal assessment

A default on a financial asset is when counterparty fails to make payments within 60 days when they fall due.

Reconciliation of loss allowance provision – Trade receivables

	31 March 2026	31 March 2025
Opening balance	13.81	13.81
Changes in loss allowance	48.11	-
Closing balance	**61.92**	**13.81**

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows. This is generally carried out at unit level and monitored through corporate office of the Company in accordance with practice and limits set by the Company. These limits vary by location to take into account requirement, future cash flow and the liquidity in which the entity operates. In addition, the Company's liquidity management strategy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(a) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

	As at	
	31 March 2026	31 March 2025
Floating rate		
Expiring within one year (bank overdraft and other facilities)	-	21.20
Expiring beyond one year (bank loans)	-	-
	-	**21.20**

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in indian rupee and have an average maturity within a year.

Notes to the financial statements for the year ended 31 March 2026

(All amounts are in Rupees Lacs, unless otherwise stated)

(b) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

31 March 2026	Carrying Amounts	Contractual cash flows				
		Total	0- 1 Year	1–3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	4,412.65	4,412.65	133.00	688.38	2,434.19	1,157.09
Short term borrowings	376.48	376.48	376.48	-		
Trade & Other payables	1006.23	1006.23	1006.23	-		
Total non-derivative liabilities	**5795.37**	**5795.37**	**1515.71**	**688.38**	**2434.19**	**1,157.09**

31 March 2025	Carrying Amounts	Contractual cash flows				
		Total	0- 1 Year	1–3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	3063.67	3063.67	390.27	603.72	2,069.68	-
Short term borrowings	1278.80	1278.80	1,278.80	-	-	-
Trade & Other payables	1188.60	1188.26	1,188.26	-	-	-
Total non-derivative liabilities	**5,531.07**	**5,530.73**	**2,857.33**	**603.72**	**2,069.68**	**-**

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company uses derivatives like forward contracts to manage market riskson account of foreign exchange and various debt instruments on account of interest rates. All such transactions are carried out within the guidelines set by the Board of Directors.

v. Currency risk

Foreign currency exposure not hedged by derivatives instrument or otherwise :

		31 March 2026	31 March 2025
i.	Receivable	46.18	46.18
ii.	Payable*	-	-

*total outstanding of payables in foreign currency as on 31.03.26 is NIL (31.03.25 :Nil)

Notes to the financial statements for the year ended 31 March 2026

(All amounts are in Rupees Lacs, unless otherwise stated)

vi. Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March 2026 and 31 March 2025, the Company's borrowings at variable rate were denominated in Indian Rupees.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	Nominal Amount	
	31 March 2026	**31 March 2025**
Fixed-rate instruments		
Financial assets	136.34	77.53
Financial liabilities		-
	136.34	**77.53**
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	4,789.14	4,342.47
	4,789.14	**4,342.47**

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	As at 31 March 2026		As at 31 March 2025	
	50 bp increase	**50 bp decrease**	**50 bp increase**	**50 bp decrease**
31 March 2026				
Variable-rate instruments	23.95	(23.95)	17.72	(17.72)
Cash flow sensitivity	**23.95**	**(23.95)**	**17.72**	**(17.72)**
31 March 2025				
Variable-rate instruments	21.71	(21.71)	15.67	(15.67)
Cash flow sensitivity	**21.71**	**(21.71)**	**15.67**	**(15.67)**

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Notes to the financial statements for the year ended 31 March 2026

(All amounts are in Rupees Lacs, unless otherwise stated)

36 Balances of certain trade receivables, advances, trade payables and other liabilities are in the process of confirmation and/or reconciliation.

37 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The following table summarises the capital of the Company :

Particulars	31.03.2026	31.03.2025
Equity Share Capital	1,500.00	1,500.00
Other Equity	3,894.91	4,157.14
Total Equity	**5,394.91**	**5,657.14**
Non-Current Borrowings	4,279.66	2,673.40
Current maturities of Non-Current Borrowings	-	390.27
Current Borrowings	-	1,278.80
Total Debts	**4,279.66**	**4,342.48**
Capital and Net debt	9,674.57	9,999.62
Gearing Ratio	44%	43%

38 Ratio analysis and its Components

Ratio

Particulars	31st March 2026	31st March 2025	% Change from 31st March 2025 to 31st March 2026	Reason for deviations
Current Ratio	1.91	1.08	77%	Increase due to reduction in current liabilities during the year.
Debt- Equity Ratio	0.79	0.77	3%	
Debt Service Coverage Ratio	0.72	1.45	-50%	Decrease due to reduction in earnings available for debt servicing during the year.
Return on Equity Ratio	-5.41%	1.44%	-476%	Decrease due to reduction in net profit after tax during the year
Inventory Turnover Ratio	4.79	5.12	-7%	
Trade Receivable Turnover ratio	14.25	12.33	16%	
Trade Payable Turnover Ratio	6.45	5.41	19%	
Net Capital Turnover Ratio	6.91	46.50	-85%	Decrease due to increase in net working capital and reduction in sales during the year.
Net Profit Ratio	-2.67%	0.71%	-476%	Decrease due to reduction in profit after tax during the year
Return on Capital Employed	0.22%	5.09%	-96%	Decrease due to reduction in EBIT during the year.
Return on Investment	NA	NA	NA	

Notes to the financial statements for the year ended 31 March 2026

(All amounts are in Rupees Lacs, unless otherwise stated)

Components of Ratio

Ratio	Numerator	Denominator
Current Ratio	Current Assets	Current Liabilities
Debt- Equity Ratio	Total Debts	Total Equity (Equity Share Capital + Other Equity)
Debt Service Coverage Ratio	Earning available for debt servive (Net profit after taxes + Depariciation & amortization + Finance cost + Non cash operating items + other adjustment)	Finance cost + Principle repayment of long term borrowing during the year
Return on Equity Ratio	Net Profit after Tax	Average total Equity [(opening equity share capital + opening other equity + closing equity share capital + closing other equity)/2]
Inventory Turnover Ratio	Revenue from operations	Average inventory [(opening balance + closing balance)/2]
Trade Receivable Turnover ratio	Revenue from operations	Average trade receivable [(opening balance + closing balance)/2]
Trade Payable Turnover Ratio	Cost of material consumed and purchase of stock in trade	Average trade Payable [(opening balance + closing balance)/2]
Net Capital Turnover Ratio	Revenue from operations	Working capital (Current assets - current liabilities)
Net Profit Ratio	Net Profit after Tax	Revenue from operations
Return on capital Employed	Before profit interest & Tax (before exceptional items)	Total Equity + Total Debts + Deferred tax liabilities
Return on Investment	Interest income on fixed deposits + profit on sale of investments + income of investment - impairment on value of investment	Current Investments + Non current Investments +Fixed depost with banks

39 Other Statutory Informations :

i) There are no balances outstanding on account of any transaction with the companies struck off under section 248 of the Companies Act , 2013 or section 56 of Companies Act,1956.

ii) The Company does not have more than two layers of subsidiary as prescribed under section 2 (87) of Companies Act, 2013 read with companies (Restriction number of layers) Rules, 2017.

iii) The Company has not advanced or loaned or invested fund to any other persons or entity including foreign entities (intermediary) with the understanding (whether recorded in writing or otherwise) that the company shall :

   a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiary) or

   b) provided any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

iv) The company has not received any fund from any person or entities including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the company shall :

   a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiary) or

   b) provided any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

v) The company does not have any such transaction which is not recorded in the books of accounts that has been surrenderred or disclosed as income during the year in the tax assessments under the Income Tax act,1961.

vi) The Company is not declared as willful defaulter by any bank or financial institution or other lender.

vii) There are no charges or satisfaction thereof which are yet to be registered with ROC beyond the statutory period.

Notes to the financial statements for the year ended 31 March 2026

(All amounts are in Rupees Lacs, unless otherwise stated)

40 Disclosure on Bank/ Financial institutions compliances

The quarterly statements including revision thereon of inventories and trade receivable filed by the company with banks/ financial institution are in agreement with the books of accounts.

Summary of reconcilation of quarterly statements of current assets filed by the company with banks are as below :

Particulars	For the quarter ended	Amount as per books of account	Amount as reported to Bank	Amount of Difference	Reason
Inventories and Trade receivables	31-03-2026	NA	NA	NA	Difference in value due to estimation and actual stock valuation done by the management
	31-12-2025	NA	NA	NA	
	30-09-2025	NA	NA	NA	
	30-06-2025	3216.68	2,940.23	276.45	

Particulars	For the quarter ended	Amount as per books of account	Amount as reported to Bank	Amount of Difference	Reason
Inventories and Trade receivables	31-03-2025	3301.78	3060.19	241.59	Difference in value due to estimation and actual stock valuation done by the management
	31-12-2024	3557.50	3196.67	360.83	
	30-09-2024	3275.74	2935.49	340.25	
	30-06-2024	3109.98	2754.53	355.45	

The accompanying notes are an integral part of these financial statements

As per our report of even date

For **M/s. Kothari Kuldeep & Co.**
Chartered Accountants
Firm Regn. No. 015960C
Sd/-
Kuldeep Kothari
Partner
Membership No - 413714
UDIN: 26413714ZBMLQ25868

Place : Delhi
Date : 29/05/2026

For and on behalf of the Board of Directors of
Kothari Fermentation and Biochem Limited

Sd/-
Pramod Kumar Kothari
Chairman & Managing Director
DIN: 00086145

Sd/-
Siddhant Kothari
Whole Time Director
DIN: 08620559

Sd/-
Arun Kumar Sekhani
Chief Financial Officer

Sd/-
Shivani
Company Secretary
ACS-72631