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KWALITY PHARMACEUTICALS LIMITED

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Date: November 16, 2026

To
Department of Corporate Services,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001

Scrip Code: 539997

Subject: Transcript of Earnings Conference Call – Q2FY2027

Dear Sir/Madam,

Pursuant to Regulation 30 and Regulation 46(2)(oa), read with Clause 15 of Para A of Part A of Schedule III to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the audio recording of the Company's Investors' Conference Call held on November 13, 2026, at 4:00 P.M., to discuss the Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter and half year ended September 30, 2026.

The transcript of recording can also be accessed on the Company's website

https://www.kwalitypharma.com/Schedule%20of%20Analysts%20or%20Institutional%20Investors%20meet%20and%20Presentations%20made%20to%20them.php

Kindly take the same on your record.

Thanking You,

Yours faithfully,

For Kwality Pharmaceuticals Limited

GURPREET KAUR Digitally signed by GURPREET KAUR
Date: 2026.11.16 14:09:07 +05'30'

Gurpreet Kaur

Company secretary & compliance Officer

“Kwality Pharmaceuticals Limited

Q2 FY27 Earnings Conference Call”

November 13, 2026

MANAGEMENT: **MR. ADITYA ARORA – DIRECTOR AND CHIEF FINANCIAL OFFICER – KWALITY PHARMACEUTICALS LIMITED**
MR. UJJVAL SETH – CHIEF OF STAFF – KWALITY PHARMACEUTICALS LIMITED

MODERATOR: **MS. SOUMYA – GO INDIA ADVISORS LLP**

Moderator: Ladies and gentlemen, good day and welcome to Kwality Pharmaceuticals Limited Q2 FY27 Earnings Call Hosted by Go India Advisors LLP. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Soumya from Go India Advisors LLP. Thank you and over to you.

Soumya: Good evening, everyone, and welcome to Q2 and H1 FY27 earnings call of Kwality Pharmaceuticals Limited. We have on call with us Mr. Aditya Arora, Director and CFO, and Mr. Ujjval Seth, the Chief of Staff. We must remind you that the discussion on today's call may include certain forward-looking statements and must be therefore viewed in conjunction with the risk pertaining to the business. I request the management to take us through the quarterly updates and post that we will open the floor for Q&A. Thank you and over to you, sir.

Aditya Arora: Good afternoon, everyone, and welcome to Kwality Pharmaceuticals Q2 and H1 FY27 earnings conference call. We are pleased to report another strong quarter with continued momentum across our business. During Q2 FY27, our consolidated revenue grew by 63% year-on-year to INR181 crores compared to INR111 crores in the corresponding quarter last year. EBITDA margin expanded to 27.5%, while profit after tax doubled to INR29 crores, reflecting improved operating leverage and a strong product mix.

For H1 FY27, revenue stood at INR343 crore. Given the strong business momentum and an accelerating pace of product registration, we have further revised our FY27 revenue guidance upwards to INR720 crores plus. Alongside financial growth, we continue to strengthen our long-term capability.

We received European-GMP certification from Hungary for our cephalosporin and oncology facility, completed bioequivalence studies for 19 out of 40 molecules targeting for global filing, and made steady progress across our oncology, hormone, and biological initiatives. We have also taken a significant step towards our next phase of growth with the acquisition of four acres of land for our proposed Unit 7 manufacturing facility.

Equally encouraging in the improvement in our working capital cycle, we have reduced to 130 days from 170 days in FY26 and reduced reduction in debtor days from 208 to 178 days. Our focus remains on building a stronger, more diversified, and globally competitive pharmaceutical business, backed by manufacturing capability, regulatory excellence, and disciplined execution. Thank you, Soumya. Soumya, you can proceed now.

Moderator: Thank you very much. We will now begin the question-answer session. The first question is from the line of Deepak Chokhani from Raedan Capital. Please go ahead.

Deepak Chokhani: Thank you. Hello, Aditya ji. Firstly, congratulations to you and the team on the stellar performance. My only question is, you have guided for a top line of INR720 crores plus in FY27 and INR1,000 crores for FY29. Now, I know you prefer to be conservative. However, given the growth momentum, expanding product pipeline, and business opportunities available to the

company, don't you think these projections for FY29 are somewhat overly conservative? I mean, in my assessment, the company could potentially reach INR950 crores-INR1,000 crores as early as FY28 itself. Could you please elaborate on this and whether there is scope for a faster growth trajectory than currently envisaged? Thank you.

Aditya Arora: Good evening, sir. We do believe that FY28, we can close anywhere between INR950 crore-INR1,000 crores or INR1,000 crores plus also. But, as you said that we have tried to keep it on the conservative side. Probably we believe that 30%, 35% growth is very much achievable. If we are able to get more registrations, specifically now from the European market, and we are also expecting one registration from the Brazilian market. If we are able to achieve that, then this number would easily cross INR1,000 crores marks in FY28.

Deepak Chokhani: Superb. Thank you, Aditya ji, and all the best.

Aditya Arora: Thank you, sir.

Moderator: Thank you. The next question is from the line of Nirali Shah from Ashika Investment Managers. Please go ahead.

Nirali Shah: Hi. My first question is on the BE study. In the PPT, you have mentioned that 19 BE studies have been completed and 19 dossiers are ready. Which products are closest to commercial launch, and should we expect upgrade in the previous revenue estimation of INR80 crore-INR100 crores by FY28? Somewhere around INR500 crores in FY29, that was our previous estimation. Any update on that?

Aditya Arora: Ma'am, in FY28, probably the first round of seven to eight molecules would be easily commercialized, specifically in the South Asian and the Latin market. I think INR80 crore-INR90 crores could be the number we would be able to achieve from the first seven products. But the entire increased number you could see in FY29. That number could cross around to INR300 crores mark also. Probably the first seven would be easily commercialized in FY28, but the next 13 products or 12 products would be commercialized by FY29.

Nirali Shah: So by 2029, INR300 crores is what we are expecting?

Aditya Arora: Correct. From 19 products.

Nirali Shah: From 19 products. Okay.

Aditya Arora: Correct.

Nirali Shah: On the cephalosporin facility, like you mentioned that we have received the EU-GMP approval. Are you seeing a shift towards higher value regulated markets now, the orders that will be flowing in, and how could that materially improve our unit realization as well?

Aditya Arora: Basically, ma'am, we are targeting on three markets. One is the Mexican market, the other is Brazilian, and the third one is the European market. We have already filed for registration in all these three markets. The Mexico, which is the least profitable one, in case of cephalosporin, we

would be getting registration in Q4 of FY27, the Brazilian by Q2 of FY28, and probably at the same time, we'll get for the European market as well.

Nirali Shah: Fair enough. What's the trajectory for FY30?

Aditya Arora: FY30, because we have not disclosed this, but probably we are in agreement with one of the U.S.-based companies wherein we are trying to file an ANDA application by FY28. But as of now, that is at a very premature stage. But once we are ready with the filing, then we'll probably disclose it to the entire market. But which quarter it happens, we are not, as of now, sure. But when it comes to FY30, we believe that we'll be able to commercialize one or two products from the cephalosporin side in the U.S. market.

Nirali Shah: Got it. Thank you, and congratulations on the great set of numbers.

Aditya Arora: Thank you.

Moderator: Thank you. A reminder to all the participants to press star and one to ask a question. Ladies and gentlemen, if you wish to ask a question, you may press star and one. The next question is from the line of Abhijeet from 129 Wealth. Please go ahead.

Abhijeet: Thanks for the opportunity. I hope I am audible. Couple of questions from my side. Yeah. You said you have raised the FY27 guidance from INR700 crores to INR720 crore. But historically, H2 has been a strong half with roughly 55% of the full-year revenue. My question is this INR720 crores a conservative figure, or do you think that the seasonality factor that used to happen earlier will not repeat in H2 this year?

Aditya Arora: Sir, INR720 crores is a conservative figure. We believe that around INR750 crores is an achievable target. But we do not want to raise very high expectations. But considering that KPMG now is on board, there are a lot of regulatory or financial standards that we need to maintain, and we have to follow the guidelines. So, we have taken it a little on the conservative side, but we believe that between INR720 crores-INR750 crores is an achievable target.

Abhijeet: Understood. Regarding the revenue split, in FY26, I think our exports were somewhere around INR250 crore, and the remaining came from the domestic market. India, as an end market, is somewhere around, I think, 4%-5% of the revenue, which means a large part of domestic billing would be sales to the Indian partners who then export. In that case, who holds the product registration in the destination country?

Do we hold the product registration, or is it the partner company to whom we are supplying? Related to this, the second part is the realization and margin on those sales similar to our direct export, or is it lower?

Aditya Arora: Basically, sir, if you see in FY29 or 2028, if the total sales revenue model would be INR1,000 crore, 200 crores sales will still remain with the MAs which are owned by the partners, not by Kwality. But INR800 crores sale would be entirely from the Kwality's MA registration. As of now, 20%-80% is the ratio. But every year, now the partners what we have now and the registration what we are making now, the MAs are completely held by Kwality.

We can, if the partner is not giving us business, we will not be able to commercial, we can switch to a new partner. But when it comes to the old registration or old business model, the 20% still lies with the partners who own the registration. But that would entirely be in the African market or some unregulated market. In the regulated market segment, the entire registrations are held by Kwality.

Abhijeet: Okay. How is the margin on the direct versus the partner, when the partner is exporting?

Aditya Arora: When partners are exporting, the margins are between 24%-26% EBITDA. When we have our own registration, the EBITDA margins are between 28%-32%. It entirely depends upon which molecule are we doing. But considering that the entire portfolio Kwality has built is considering the first generic or second generic leaders in the market. In that portfolio, the average rate could be between 28%-32% EBITDA.

Abhijeet: Got it. Regarding the dossiers, we have 19 dossiers that are ready to file, and there are 21 more coming by early 2027. For a dossier that is filed today in a market like, say, Mexico or say Colombia, roughly how many months does it take to get the registration? After that, how many months from registration to the first commercial shipment?

Aditya Arora: Okay, sir. Basically, before 19 dossiers, Kwality had 700, 750 dossiers of general injectables, onco injectables, beta-lactam injectables, oral solids, and many more. With these registrations, we could easily achieve a target anywhere between INR1,000 crore-INR1,500 crore. When it comes to global filing of 19 products, when we talk about with the bioequivalence products, the bioequivalence itself takes six months or eight months of evaluation from any ministry.

You can say that if you are talking about a Latin-based country, for example, Colombia or Peru or Chile, it roughly takes about 8-10 months for evaluation. Then finally, query responses and the second round or third round of screening, it takes overall 13-14 months. In January, we finished four or five molecules, for Q1. Sorry, Q4 of FY26. We have already submitted those five or six dossiers across 40, 50 countries. Probably by next year, Q1 of FY28, we can start expecting the revenues from them.

Abhijeet: Okay. My question was, let's say if you take Mexico as an example, so in FY26, I think there were 70 submissions, and around 18 were registered by August 2026. Is this a normal pace, is what I am trying to understand?

Aditya Arora: No, 14-18. Mexico takes around about 14-18 months.

Abhijeet: Okay.

Aditya Arora: Coming to the other Latin countries, it takes around 12-14 months.

Abhijeet: Okay. Lastly, regarding the R&D, I think in the previous conference, you had mentioned that you are planning to scale the R&D from 2.5% of revenue to 5%-6%. At the same time, we have an EBITDA margin aspiration of somewhere around 30% by FY29. When there is an increase in R&D, what has to improve so that we can achieve the EBITDA margin guidance? Will it be the improvement in gross margins or, let's say, operating leverage, if you can.

Aditya Arora: Yeah, there will be increase in the gross margins, probably to 44% or 46%. Sorry, the gross cost will come down to 44%, 46%, and the margins will increase to 54%, 55%. And the revenue expenditures will start increasing once the quantum of the bioequivalence studies of the R&D products would start increasing from Q1 of FY28. Probably once we finish with the hormonal and the onco expansion cost, immediately we will start with increasing with the revenue R&D expenditures.

Abhijeet: Got it. I have few more questions. I will get back in with you. Thanks and all the best.

Aditya Arora: Thank you.

Moderator: Thank you. The next question is on the line of Darshil Jhaveri from Crown Capital. Please go ahead.

Darshil Jhaveri: Hello. Hi. First, sir, congratulations on a great set of results, sir, and consistent over-performance of our guidance, sir. That is really good to see in this current environment, sir. Thank you for that, sir. I just wanted to understand, like, we have been doing really great EBITDA margins, right, sir? The momentum to sustain this, like, is there like something that can come in a way of price competition, or how are we able to generate such a high EBITDA margin and projected to go to 30% when the other people cannot? What is that differentiates us? Will there be a competition sake when we are doing such high margin, other people come into our things?

Aditya Arora: Major, that differentiated capability in Kwality is the portfolio, sir. The number of products what we have from different segments, wherein if one product becomes less profitable, it could easily be replaced by another product. Whenever I tell my numbers, I take it on a very conservative side. For us, if we are able to at least file 19-20 molecules of bioequivalences across at least 20 geographies, probably we can easily achieve a very good EBITDA numbers and good sales revenue numbers.

When it comes to, let us say, if there is a new competition which has entered in the market or there is a competing product, again, we are not going to stop at 20 or 40 BE studies. We are going to keep on adding every year another round of 40 molecules, another round of 40 molecules.

When we talk about 2029, 2030, we have already targeted 200 BE studies. When you have such a kind of a portfolio, even if one product becomes non-profitable, the other portfolio can easily replace it and keep the margins sustainable. We believe that if we are able to cross INR1,000 or INR1,200 crores mark, we will probably be able to sustain a 30% EBITDA margins.

Darshil Jhaveri: That is really great to know, sir. Your performance is also really great, sir. We wanted to know, once such a great pace comes in, will we go for some additional funding, or will we Our debt levels are also quite maintained, but are we going to do more aggressive capex because we are planning for maybe such high filings, right? Could you just map that out in terms of our cash outflow? Like, if over the next few years, what is the capex number that we are targeting, sir?

Aditya Arora: Basically, sir, the next presentation, what we are going to give in Q4 of FY27, that would give you a visibility of what is going to be the next capex up till FY30, and what could be the probable

numbers that we could achieve by making those kind of capex. As of now, INR140 crore-INR150 crores capex, which we had planned to do before completing FY27, we are almost through with it. Another INR20 crore-INR25 crores is still pending from our end. That we will probably be able to finish by at least April 2027. The next capex, what we are going to do is for the new facilities, plus the bioequivalence studies, plus a new facility of R&D that we are going to give in the next round of presentation.

That would probably be financed through some amount of loan, but more or less, it will be again through the internal earnings or retained earnings of Kwality. Because we believe that the PAT margins are going to improve a lot, and we will have enough profits to be able to make those expenses.

Darshil Jhaveri: That's great to know, sir. Sir, just last one small bookkeeping question from my end. I think our tax rate was slightly higher in Q2, sir. What would be the sustainable tax rate, sir?

Aditya Arora: I will get back to you, sir. This query, I will try to resolve via my CS, okay?

Darshil Jhaveri: Yeah, no worry, sir. Thank you so much, sir. All the best.

Aditya Arora: Thank you.

Moderator: Thank you. Ladies and gentlemen, if you wish to ask a question, you may press star and one. A reminder to all the participants to press star and one to ask a question. The next question is on the line of Manan Vandur from Wallfort Fund Management LLP. Please go ahead.

Manan Vandur: Yes. Thank you so much for the opportunity. Am I audible?

Aditya Arora: Yes, sir.

Manan Vandur: Yes, Aditya ji, congratulations. Many, many congratulations on the numbers and congratulations to the team. Sir, I had few questions. Just needed understanding on the ANDA that you just spoke to us about. So, wanted clarity that what could be the product therapy. You also said the commercialization year, I couldn't catch that. I also wanted to understand that the ANDA is not included in our guidance, right?

Aditya Arora: Correct, sir.

Manan Vandur: Could you please tell us the product therapy and, yeah.

Aditya Arora: Basically, sir, there are two molecules from the cephalosporin side and two from the beta-lactam side. These are basically a CDMO model-based U.S. FDA filing of the cephalosporin product and a two beta-lactam product, initially starting with one molecule from each side. As of now, currently, we are only in the process of, we have just completed with the process validation.

We are waiting for completion of stability studies to make that ANDA application. We know the revenue numbers, but we are not 100% sure that U.S. FDA will clear the audit. We are not 100% sure that the ANDA application will get accepted. But this visibility might come in Q1 of FY28, and based on that visibility, we will give the guidance to the market.

There are n number of projects which are going at Kwality, but I do not make it public unless we know what is going to be the outcome. But the efforts which we are making, we are trying our 100% best that take Kwality to the global level. For me to give that guidance and give clarity now would be generating a lot of expectations. That is why we have not made it clear.

Manan Vandur: Makes sense, sir. That was really helpful. The second question would be that our PPT says that the hormone will commercialize in Q3 FY2027. Can we get some idea on the products or any color on the hormone plant?

Aditya Arora: Basically, sir, the idea is that by next year, we should be able to get the PIC/S audit done and ROW five or six countries audits done, and immediately commercialize at least in the, you can say, the Islamic countries wherein a fast-track permit could be generated, and we could make at least INR100 crores or INR150 crores sales.

But that is all subject to a speculative number. It does not get included in INR1,000 crores or INR1,200 crores revenue. But if that could be generated, it could be considered as a contingency plan or an add-on number. Okay? But FY28 or FY29 or FY30, I think with five, six bioequivalences and dossier filings of general hormonal injectables, we could generate easily INR200 crores revenue by FY29 or FY30.

Manan Vandur: Okay, makes sense. We are looking for the order to be done in FY28 start, right?

Aditya Arora: Yeah. FY28, Q2 we will be able to commercialize, but that commercial volume, I am not really sure, but we believe that anywhere between INR100 crore-INR150 crores could be easily generated. But that could either be a contingency to if there is any decrease in the number of from the other segments, or could also be an add-on to the promised number.

Manan Vandur: Okay, makes sense. And then, sir, just last two things from my side. One will be that, it is a little long question. It will be that, where are we on the biologics? We understand that erythropoietin is something that we were doing and the preclinical were done. After the preclinical, now the clinical studies come. Where are we on the clinical studies for erythropoietin? If we have, I mean, I know we have more biologics, could you also tell us the name of those, if you don't mind?

Aditya Arora: So basically, sir, there are three to four products, but when it comes to the products where we are clear with the biowaiver, okay? As of now, the new guideline what has come in U.S. is that a biowaiver application can be made in many countries, and it is subject to the ministry's approval whether that biowaiver could be accepted or not.

So the first thing is that we have already commercialized one product, erythropoietin, wherein we are still at the stage of clinical studies, but with the biowaiver application, in whichever country it was applicable, for example, we were able to successfully get in Egypt, and maybe in Q3 we will have revenues from that also. So, you can see in my numbers also, 1% revenue we have already generated from the total in the Q2. So Q3, we could expect more revenues from erythropoietin.

Wherever we could file a biowaiver application, we have already filed it. Our data is matching with the biowaiver guidelines. We will try to commercialize erythropoietin as much as possible without the clinical studies. I think in FY28, we should be able to do a INR30 crore-INR40 crores revenue from erythropoietin itself.

Once the clinical is finished, then this number could be on the very higher side as well, but it all depends upon how fast we can get the registration. Our clinical data, our dossier data will be suffice to meet the guidelines of U.S. also. The next two products or three products are pembrolizumab, nivolumab, and pertuzumab. We are doing in different kind of indications. In the same way, we are going to prepare a biowaiver application.

If that application is accepted in any of those countries, any ROW country or in regulated market as well, we will try to make the supplies. These products are already in shortage, so there is a huge chance that our biowaiver application would be accepted. As of now, pembrolizumab biowaiver application would be ready by January. By February, our preclinical will also be finished. Let's say at least some quantities we will be able to commercialize in March or April 2027.

Manan Vandur: Okay. Just a question I had that I understand, as per my understanding, please correct me if I am wrong. Clinical studies means doing studies on humans, right? Preclinical we will be doing on animals. If we have not done clinical studies on humans, then how can this be sold?

Aditya Arora: Basically, there is a biowaiver category, sir. In biowaiver, there are certain parameters. One is that your preclinical should be done in both mice and rabbits, at least two species. Then number two, there is an artificial cell line. On that artificial cell line, certain qualification parameters are applicable. It all depend upon your level of characterization what you have done, the validations what you have done.

As of now, Kwality has done with respect to all the guidelines which are given for the characterization of cell line, drug substance, and drug product. Many of them, we have done it internally rather than doing it outsourcing. By next year, my target is to have all the equipments and technical staff with me who can do all these studies within Kwality.

That is why I am 200% sure that we will be able to succeed in pembrolizumab biowaiver application also. Based on this data, the ministry evaluates with the reference product whether our data matches the product or not, the biowaiver guideline what they have given, as all those characterization, all those data are matching or not. Based on that, we get a permit to make the supplies.

Manan Vandur: Interesting. This was very helpful.

Aditya Arora: But you cannot get a registration. The product registration will be subject to clinical studies. But temporary supplies, immediate supplies, you could do it with respect to the biowaiver application.

Manan Vandur: Okay, makes sense. After our clinical studies, we will get registrations.

Aditya Arora: Correct.

Manan Vandur: Correct. Just one last thing will be little on the compliance side. We just saw that on the result day itself, the secretarial and auditor resigned. I hope all is okay.

Aditya Arora: Sir, KPMG has been appointed, sir.

Manan Vandur: Makes sense. Correct. You had been saying for past three quarters, and we finally got KPMG.

Aditya Arora: Yes, sir.

Manan Vandur: Nice. Congratulations, sir. Thank you so much for this wonderful performance.

Aditya Arora: Thank you, sir.

Moderator: Thank you. Participants may press star and one to ask a question. The next question is from the line of Mohammed Nameer from Eiko Quantum Solutions. Please go ahead.

Mohammed Nameer: Yeah, thank you for the opportunity. Since you already guided for-

Aditya Arora: Sir, your voice is not audible.

Mohammed Nameer: Just a second. Am I audible now?

Aditya Arora: Yeah, yeah. Please.

Mohammed Nameer: Yeah. Since you already guided for INR1,000 crores revenue in FY28 and beyond business-

Moderator: Sorry to interrupt you, sir. Your voice is still breaking.

Mohammed Nameer: Yeah, yeah. Since you already guided for INR1,000 crores revenue in FY28 and beyond business, how much higher can it go in FY29? Will you start adding new hormone and biologic business, and if you have new product registrations?

Moderator: Sorry to interrupt you, sir.

Aditya Arora: Your voice was breaking, but I could understand what you are asking, that what would be the numbers in FY29 and what would be the revenue contribution of hormone and biologics. Sir, we believe that when it comes to biologics, erythropoietin will be at least commercialized up till 10% of our total sales volume. That means what expectations we had from erythropoietin, out of that, 10% would be commercialized. So let's say, between INR80 crore-INR100 crore, we could achieve by FY29 from erythropoietin.

The remaining two or three molecules of biosimilar will not be able to commercialize, but FY30 will be able to commercialize. Coming to the hormone segment, again, as I told, in FY29, anywhere between INR100 crore-INR150 crore, we will be able to commercialize. FY28 more or less looks like INR1,000 crore, close to INR1,000 crore. But if we are able to do INR1,000 crores in FY28, probably again a 25%-30% jump we could easily expect in FY29.

Moderator: We cannot hear you. Mohammed Nameer, we cannot hear you. Due to no response, we move on to the next participant. The next question is from the line of Vivek Gupta from Advent Consulting. Please go ahead.

Vivek Gupta: First of all, congratulations, sir, on a very great set of numbers.

Aditya Arora: Thank you, sir.

Vivek Gupta: I wanted to ask about this new unit which you are planning, Unit 7. What will be the revenue potential of that when it is at full capacity utilization?

Aditya Arora: Basically, sir, Unit 7 will be completed in three phases, in FY28, 29, and 30. This new unit, the basic idea is all the bioequivalences what we have done, we are going to commercialize from this new unit. This unit is adjacent to the existing facility. Probably we could start using the same model and everything. Basically, you can say that 200 bioequivalences, we can run across 40, then another 40, and then another 40. It will be suffice to commercialize 200 BE-approved products, and it will be a huge volume manufacturing facility.

Vivek Gupta: By FY28, could we expect some revenue out of it?

Aditya Arora: No, FY29 you could expect. As I told that from the BE products, INR80 crore-INR100 crores revenue would be expected in FY28. That would be from the old facility. FY29 definitely the INR300 crores revenue from the new facility. Again, the capacities what we have built, it is very, very huge. When it comes to 200 molecules or more molecules, I do not want to disclose numbers, but this would be, you could easily make a 3x or 4x increase in sales revenue from this new facility.

Vivek Gupta: Okay. If we can say that at maximum utilization, we can go up to INR500 crore-INR600 crores in all three phases?

Aditya Arora: No, no, sir. No, no, sir. Basically, it is a very simple calculation, sir. Every BE study could generate a revenue of at least INR20 crore-INR30 crores from 20- 30 countries. A very, very conservative number, INR20 crore-INR30 crores from one BE study. When we do 200, you can make the multiplication. This facility is suffice for 200 BE studies. This number could be more than INR2,000 crore, INR3,000 crores also, INR4,000 crore.

It all depends upon how successful we are in completing the BE studies, whether we are able to file it across 20, 30 geographies or 40 countries, or we are able to register in European and these markets. We are going to take it from phase-wise. The infrastructure what we are going to build, it will be suffice for 200 BE studies.

Vivek Gupta: Okay, that is great. One more question I had is, in the current unit one, are you planning to do a third shift? You mentioned once that you are planning to do a third shift.

Aditya Arora: Sir, as of now, only in the oral solid and few lines of injectables, we have already started with the third shift. There is still not a requirement of doing the third shift. Probably once we are close to INR1,000 crores or INR1,200 crore, I think the capacity would be 80% saturated. Specifically

in the generics facility. That's why then in all the lines, we might have to put the third shift. As of now, you can say six or seven lines, the third shift is still working.

Vivek Gupta: Okay, great. In the biologics unit, apart from your own molecules and own formulations, would you also be going for a CMO or a CDMO model in biologics?

Aditya Arora: This is actually a very good question, sir. Basically, there is a 27D application what Kwality has already made with the CDSCO. 27D is for allowing you to make the biological finished formulation without the drug substance part. That application we have already made. We are more or less likely to get it by December or January.

The 27D audit has already completed. After 27D, we'll be able to do all the L-asparaginase, peg-asparaginase, and the CDMO products of the biological, fill to finish. But up till that, we are not able to do anything. After 27D, we'll be able to do it. You can say by January or February, we can do CDMO model of biological products.

Vivek Gupta: Okay. Will this enable you to go for a higher capacity of biologics in the future?

Aditya Arora: As of now, sir, if we are looking at a good volume also, we have enough space. We have enough infrastructure to be able to take at least six or seven projects of CDMO. But if you are talking about 10 or 20 projects, then this infrastructure would saturate. But as of now, I do not think there is more expansion required. The expansion is required on the generic facility side.

Vivek Gupta: Okay, got it, sir. Apart from Brazil, are you looking at any new markets like Canada or Australia, regulated markets?

Aditya Arora: Basically, sir, there are few CDMO models what we have already signed for Canadian market. When it comes to the fixed countries, let us take Canada, Singapore, Australia, and Brazil. Brazil, I think by Q2 of FY28, we will be able to commercialize one product, which itself would be a INR150 crore-INR200 crores molecule. Then coming to Canada and Singapore, we already got one registration of the same product which we have got in Brazil, which we will get for Brazil.

That product, we are just waiting for tender for both Malaysia and Singapore, and then we will be able to commercialize. Same cases for Australia. But in Canada, we are looking for three or four CDMO models. We have already filed for Agreement is already done. The variation is already started. But I think by Q3 or Q4 or FY28, we will be able to commercialize.

Vivek Gupta: Okay, great. That was about some of my insights. Actually, you are doing a lot more than we can ask you. All the best and thanks a lot.

Aditya Arora: Thank you, sir.

Moderator: Thank you. The next question is from the line of Saurabh Gupta from Financially Free. Please go ahead.

Saurabh Gupta: Hi, sir. Thanks for the opportunity. And congratulations for the great set of number. And it has been an amazing journey with Kwality Pharma from last two years, so thank you for that. I just

have couple of questions, sir. In Q2, if we see year-over-year growth of 63%, if you can provide a split between volume growth and value growth?

Aditya Arora: Sir, that split, I have to prepare it and send it to you. But when it comes that what has been the major driving force in that 63%, it's entirely specifically MENA region, which is Algeria, Morocco, Tunisia. Another set of region is Mexico and Colombia. That new set of registration has been the major driving growth. This number could have been achieved in FY26 also, but luckily we got all those registration in FY27. And this number could keep on increasing as and when we get more registrations.

Saurabh Gupta: Sir, do we face any issue because of the Middle East crisis in this quarter, sir?

Aditya Arora: In Q4 FY26, we faced a little issue with the debtor days. That was entirely because another INR60 crore-INR70 crores of debtors were stuck in the Middle East. But that all realized in Q1 and Q2. Right now, we are not selling a huge quantum to these countries. So, there is no such issues. As of now, we have a lot of registration in Iran and Iraq and specific Saudi Arabian market, but that is slow moving. Also, it is not our prime focus area. When we are deciding about the driving factors and the future registrations, we are not targeting in these markets very much. But our prime focus is on the LATAM and European side.

Saurabh Gupta: Got it, sir. And sir, because of rising crude oil prices, do we get any benefit because of increase in the price of API, if you just can provide a ballpark number? Not the exact figure.

Aditya Arora: Sir, as of now, our major procurement is from India itself. So, 85% is from India, 10%-15% is only from China. There has not been much increase in the prices of the Indian API prices, but more or less you can say 4% or 5% has been increased. But that was sustainable without increasing the finished prices because with the set of new registrations which were already high price, so we could easily replace it with the low-margin products. As of now, the unregulated market and the without registration products, what Kwality was earlier supplying, that is depleting from each quarter. And that is why there are more margins and all these costs can easily be sustained.

Saurabh Gupta: Got it, sir. If I look at our latest PPT, we have raised our guidance from INR700 crores to INR720 crores plus for the top line, and for the PAT, INR122 crores plus. This implies around 27%-28% of EBITDA margin. If I look at the Q1 EBITDA margin, that was around 25%, and 27% for Q2. That implies that we are targeting around 28%-29% of margin in Q3 and Q4. Are these margins achievable, and what could be the lever for that, sir?

Aditya Arora: No, sir, these margins are 28%, 27%-28% is very much achievable. 29%-30% margins would be achievable if the sales revenues are with the same operating cost, the sales revenue crosses INR1,000 crores plus. But at INR750 crore, INR720 crore, this number would be between 27%-28%. It is a very sustainable number. This number could easily increase as the sale increases.

Saurabh Gupta: Sir, what could be the lever in Q3?

Aditya Arora: Okay. Basically, the portfolio of registered products from the Latin market and the MENA region has been the major driving force. Because they tend to be on more profitable side on the more, the gross margins are more.

Saurabh Gupta: Okay, sir. This guidance of 27%-28% EBITDA margin also include the revenue and EBITDA from hormone facility that will go into live in Q3, sir?

Aditya Arora: Q3 of FY28, yes, sir. The margins would be roughly around 20. No, if the sales revenue of hormones is added to the existing margin, then the number would be roughly between 28%-29%. But if we are not able to achieve INR100 crores-INR150 crores in next year from the hormone, then the margins would be between 27%-28%.

Saurabh Gupta: All right, sir. Got it. The last question that I have is there any plan of split or bonus to increase liquidity, sir?

Aditya Arora: As of now, no, sir, because the entire earnings are going to be used in expansion plans. When it comes to split and those, we have not made any plan or something, nor for the dividend, nor for any bonus issue or something.

Saurabh Gupta: Got it, sir. Thank you. That's it from my side, sir.

Moderator: Thank you. Ladies and gentlemen, in order to ensure the management is able to address questions from all participants in the conference, please limit your questions to one per participant. Should you have a follow-up question, we would request you to rejoin the queue. The next question is from the line of Utkarsh Somaiya from Eiko Quantum Solutions. Please go ahead.

Utkarsh Somaiya: Thank you for the opportunity. What are the capex plans for the next two years? With the scale-up that you are projecting, how do we handle the working capital?

Aditya Arora: Sir, probably in the next presentation, we could give all the investors a clear visibility, all the stakeholders complete visibility of what capex we are going to do. To give you a slight bit of idea, I think roughly around INR200 crore-INR250 crores would be required in the new expansion of the seventh unit.

Along with this, if we talk about up till FY30, if we have to do around 200 new bioequivalences, then probably another INR250 crores or INR300 crores would be required. You can see, say, around about INR500 crores or INR600 crores capex to be made in three years' time. There could be increased, another working capital of, you can say, INR60 crore, INR70 crore, or INR80 crores would be required across two or three years.

Utkarsh Somaiya: You mean at INR50 crore, INR60 crores over and above internal accruals?

Aditya Arora: Correct, sir.

Utkarsh Somaiya: How will you fund that INR50 crore, INR60 crore?

Aditya Arora: I think, sir, the PAT margin should increase at least INR150 crore, INR160 crore. If you are looking at INR1,000 crores revenue, then probably INR170 crore, INR180 crores PAT would

be achievable. Then, considering the cash flows, we could internally do year-on-year INR150 crore, INR160 crores expansion. Plus, we could take some bank loans also. But as of now, there is no such plan. Probably, a little bit with the bank funding and with internal retained earnings, we could easily make these expansions.

Utkarsh Somaiya: No chance at all of any dilution, no? Equity dilution?

Aditya Arora: As of now, no, sir. As of now, there is no such plan for equity dilution. We are not going to stop. If we have made a plan, a strategy, and where we want to finish all these bioequivalences, we want to finish all the peptide-based registrations and the infrastructure of the new plant. If we believe at some point we are falling short with the cash flows or we are not having enough breathing space, then probably we will definitely plan something. As of now, considering what the expansions we made in the last one and a half years through our own earnings and everything, we believe that there is no need for such a thing as of now.

Utkarsh Somaiya: Okay. Can I squeeze in one more question, please?

Aditya Arora: Yes, sir. Please.

Utkarsh Somaiya: You said by FY29, in your erythropoietin, the biologics division, you will probably do an INR80 crore-INR100 crores revenue, and this is just 10% of the potential revenue this can generate. Can you explain what that means? Because the potential revenue would be then INR800 crores-INR1,000 crores, so I am not understanding if I am getting it right.

Aditya Arora: Basically, actually, if we take on a conservative side, erythropoietin can easily generate a revenue of INR1,000 crores itself. Considering what the clinical studies Kwality has done after 2016, and other companies in India have done the clinical trials prior to 2016 guidelines. If you see the Latin market, European market, African market, none of the Indian companies is registered with erythropoietin, not even a single one. Innovator, Eprex, then there is an Argentinian company, and then there would be Kwality. Considering all those points and the potential, what is there in, let us say, the Latin market, the GCC market, the MENA region, and Southeast Asian market, I think INR1,000 crores is on a very conservative note.

This year itself, probably up till Q4 of FY27, I think INR25 crore, INR30 crores sales revenue would be easily generated from using the Biowaiver application, and that could be generated. So INR80 crore, INR90 crores in FY28 is a very conservative number. FY29, 2030, after finishing the clinical trials, we have a huge potential of this molecule. We believe that if we are able to reach out to all the markets, get it registered, complete the clinical trials on time, we could easily do an INR800 crore, INR900 crores sales revenue from erythropoietin itself.

Utkarsh Somaiya: By FY30, you-

Aditya Arora: Sir, this is only for, not for. This is just for an understanding purpose, what vision we had. But again, this is subject to a lot of factors, whether the regulatory team or whether the partners are able to get the registration done. There are a lot of factors that come into play. If we are able to get it done, then this number could be INR900 crores or INR1,000 crore. But again, that is subject to a lot of external forces and things.

Utkarsh Somaiya: Noted. Maybe you can give us some better visibility in a few quarters.

Aditya Arora: I think by Q2 or FY28, a lot of things would be clear, specifically from the peptide registration side, because as of now, many of the investors are still asking about the biosimilar, but none of them are asking about the amphotericin B liposomal registration across geographies or peptide registration across geographies. But Q2 or FY28, a lot of things would be clear, in what period of time we will be able to get those kind of registrations done, and what is going to be the growth potential.

Utkarsh Somaiya: Fantastic. Best of luck for all your plans. Thank you so much.

Moderator: Thank you. Ladies and gentlemen, I request you to limit your question to one per participant. Next question is on the line of Vedant S. from Math Investments. Please go ahead.

Vedant S.: Hi, sir. Congratulations on a good set of numbers. I just wanted to know the risk to our margin guidance with respect to the currency appreciation that we have witnessed over the last few weeks, and due to raw material volatility.

Aditya Arora: Sir, so basically, there has been currency increase and decrease, but that has not impacted the costing point of Kwality, because again, 15% is from China and the remaining is from Indian market, and more or less, our prices and everything are part of agreement. So, there has not been much of an advantage to Kwality with these fluctuations. When it comes to the next round of bioequivalence products, also I want to give you an insight.

The next round of bioequivalence products and all the peptide products, none of them are from the Chinese source. All are from the Indian source. Maybe you can say one or two excipients or particular API could be, but otherwise, 98% of the products are from the Indian market. So hardly that fluctuation would make an impact in future.

Vedant S.: My perspective is also from the sales side. Sales would be in USD terms, right? The sales, or do we keep it on a margin basis, the sales that we do? How it is pegged, I mean. The currency appreciation, will that affect the export revenue that we are booking?

Aditya Arora: Basically, the prices of our sales revenue or sales, the unit price, which is in USD, is also determined by INR. Let's say, if you have decided for a proposal, we have decided a $0.50 price. A $0.50 price is based on the INR89 or INR90. If there is an increase in US dollar, probably $0.48 is the number which we are going to get. This impact is not applicable on us, sir.

Vedant S.: Okay, so we are hedged kind of, fully hedged.

Aditya Arora: Correct.

Vedant S.: That is it, sir. Thank you.

Moderator: Thank you. The next question is on the line of Hemant Soni, an Individual Investor. Please go ahead.

Hemant Soni: Sir, thank you for providing me the opportunity, and congratulations to you guys. You guys are really doing a fantastic job. Sir, one thing I wanted to ask you is, we have raised the revenue guidance for FY27 from INR700 crores to INR720 crore. We have said earlier in this call that we can also touch INR750 crore, right? For FY27. But the absolute EBITDA, that guidance remains unchanged. Can you throw some light on that, sir?

Aditya Arora: No, sir. EBITDA margins would be roughly between, you can say, right now it is 27.5%. It could be between 27.5% to 28%. But see, we are going to increase the cost, working cost of hormonal plant without doing any commercials. So probably, it is going to remain between 27% to 28% overall. When it comes to the guidance part, we are saying that between 720 to 750 is an achievable target for us.

But again, we don't want to raise any expectations of the investors, considering that there will be holidays in December and the international market will be shut up till 15th of January. So that kind of disadvantage we, the exporting company, tend to get. So, considering all those factors, we have taken 720 as a conservative number.

Hemant Soni: Sir, I had a look at the PPT, which captures the revised guidance. The guidance says INR720 crores plus for revenue, but the absolute EBITDA remains the same.

Aditya Arora: Sir, basically what exactly I'm saying is that the cost of the hormonal plant, the running cost, the operating cost will increase without the sales commercial. So in the Q2, there was no cost of hormone. So that's why we have given a, on a safer side, we have taken 27%-28% EBITDA. But you can expect anything between 27.5% to 28%.

Hemant Soni: Okay, sir. One more thing I wanted to ask is, what will be the annual revenue potential for the unit five?

Aditya Arora: Biologics?

Hemant Soni: Yeah, correct, sir.

Aditya Arora: Okay. Biologics, sir, in any of our revenue guidance, we have not given the guidance for the biosimilar plant. It all depends upon, again, what we are able to deliver and what we are able to register. If you will talk about revenue potential, each molecule itself is beyond a $50 billion molecule. Pembrolizumab, if you see, KEYTRUDA product is more than $100 billion product.

If you are looking from a Kwality Pharma's perspective, if Kwality is able to match all those standards, get the clinicals done in specifically lung cancer, and able to register it across at least 40 countries, then this game could increase to INR2,000 crores or INR3,000 crores also. That is all subject to the team's capabilities, the challenges, failures, that is going to come in the way.

Hemant Soni: Okay, sir. Okay. Thanks a lot.

Moderator: Thank you. The next question is on the line of Murali, an Individual Investor. Please go ahead.

Murali: Okay. Sir, in your slide, you talk about three generics and one pilot, which are under patent. I think you have one anti-cancer also included in your slide with that. These are under patent in

2033, but when I was looking at non-patented countries, they were a group of 30 or 40 countries in Africa and-

Aditya Arora: Correct, sir.

Murali: Is the plan to launch these products in those markets? What could be the potential of these four products?

Aditya Arora: As the previous investor asked, sir, also, we have been able to commercialize specifically erythropoietin because we applied for biowaiver in those countries. That was off-patent. These three molecules which are patented, we are going to, during the patentee itself, we are going to apply for biowaiver, and we will try to commercialize in those countries. If there is a shortage of molecule or if they can give at least 10%-20% margin or 10%-20% of the total tender margin.

Also, there is another opportunity which could be created is if we can proceed with secondary packaging in those countries. Also, if we can do a tie-up of fill-to-finish, wherein Kwality sells the drug substance and they do the finish formulation. All these opportunities and all these ideas we are already aware about.

When we are able to get into those partnerships or when we get those approvals, we will try to make it public and educate all our investors that these opportunities have been encashed. As of now, we are totally aware that there are 30-40 countries who already have partners, wherein we have signed for secondary packaging also, we have signed for biowaiver application also, and we are trying to even help them to set up facilities where they can do fill-finish also.

Kwality does the drug substance. So that we have an advantage and we press on the ministries to give us the approval for these biosimilar products, as they are not in patent in those countries and they could be commercialized from Kwality in those countries.

Moderator: Thank you. The next question is from the line of Bharat Pathak, an Individual Investor. Please go ahead.

Bharat Pathak: Hi. First of all, congratulations on the numbers. It's a terrific quarter. I understand you're investing significantly in biologics and hormones. Right now, you've got a capacity expansion, you've got potential annual revenue that you've shared. Can you give me a more granular picture of the commercialization pipeline, sir? Specifically, what portion of the capacity is already backed by customer commitments or licensing partnership? What are your regulatory milestones, FDA, EMA? When should investors realistically expect meaningful revenue contributions from the current product pipeline?

Aditya Arora: Sir, if I give you a split of first the capital expenditure in the upcoming years, of course, if you see the biological and hormonal side, that has been the major segment of expansion in the last one and a half years. But if we talk about FY28, 2029, and 2030, the major capex would be done in the generic injectable and generic OSD side, considering whatever registrations we filed and whatever we are going to file in future with the bioequivalences. They are the ones which are going to get the maximum revenue.

Bharat Pathak: Okay.

Aditya Arora: Now, coming to the biosimilar side, the capex plan, I've already told in the previous quarters also, it will be totally funded from the other partners across different geographies. Let's say, if we have to do clinical studies of around INR150 crore-INR200 crores for three molecules, this will be entirely funded from the external partnerships what we have, and that will be an exclusivity partnership. This capex plan will not be included in the presentation in the upcoming presentations.

When we talk about hormone and biosimilar, it will all depend upon whether we are able to get good bioequivalences done, whether the clinical trials is finished. The potential for all the molecules is very, very huge.

It all depends upon how we are able to commercialize it, how we are able to get the clinical studies done, and the BE studies done, and then we are able to get it registered across at least 40-50 countries. That will all depend upon the team's capability.

Bharat Pathak: Okay. Thank you. One last passing question. Is CDMO a part of the long-term growth driver? Because I heard you mention about it earlier. Is that something that Kwality is considering?

Aditya Arora: We are not considering CDMO model in the generic section or the hormonal section, sir. Only in beta and cephalosporin with respect to U.S. FDA, we partnered with one company. When it comes to the biological section, of course, we want a CDMO model so that we can add more products to our portfolio, apart from the three or four biosimilars what we have planned.

Apart from that, we do plan to add more CDMO, but it is subject to the license which we get from the CDSCO, and we are 200% sure by January or February, we will be able to get it. But again, we believe that with all the CDMO, with all the previous registrations and the new registrations, I think in FY28, INR950 crores should be an achievable number. If we are able to get INR1,000 crore, then probably with all the PATs and everything, we will be able to cross good numbers in FY29 as well.

Bharat Pathak: Sounds good. Best of luck. Thank you.

Moderator: Thank you. Ladies and gentlemen, that was the last question for the day. I would now like to hand the conference over to management for the closing comments.

Aditya Arora: Thank you all the stakeholders and investors for showing trust in Kwality, and we promise you to give good results and achieve our targets on timely basis. Thank you so much.

Moderator: On behalf of Go India Advisors LLP, that concludes this conference. Thank you for joining us, and now you may disconnect your lines.