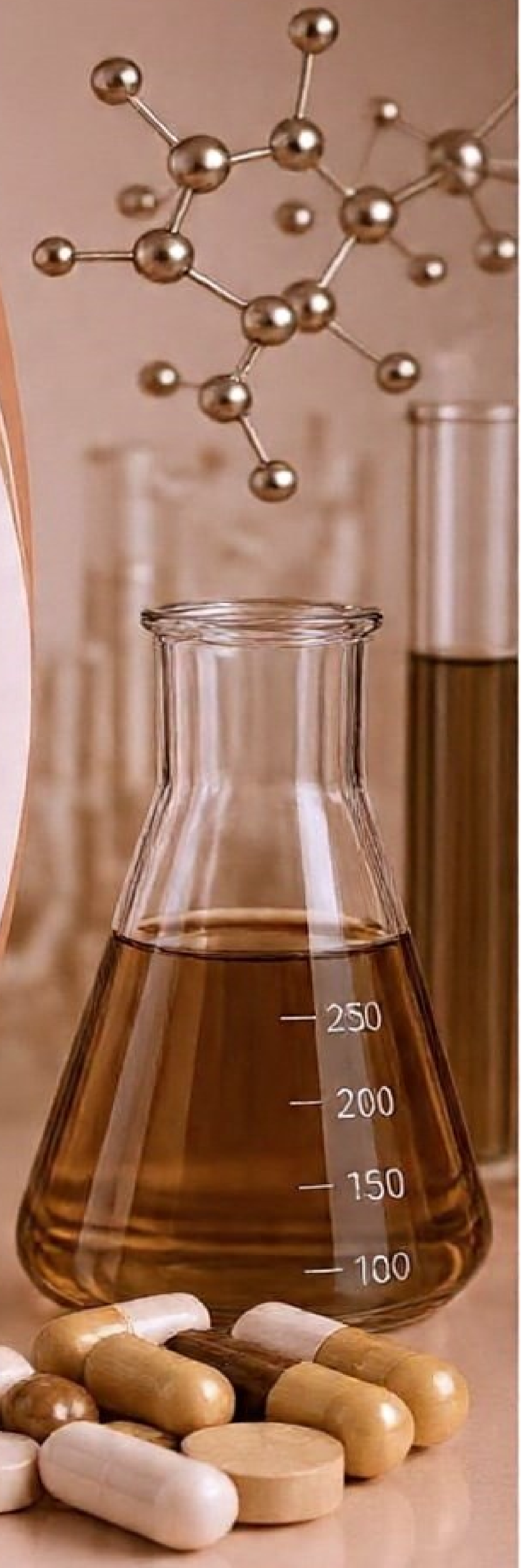
KWALITY
PHARMACEUTICALS LTD
QUALITY YOU CAN TRUST

ANNUAL REPORT 2025-2026

DEDICATED TO IMPROVING LIVES THROUGH QUALITY MEDICINES, INNOVATION AND CARE



INNOVATION	QUALITY	CARE
Driven By Science	**Assured in Every Step**	**For a Healthier Life**

BOARD OF DIRECTORS	CHIEF FINANCIAL OFFICER
Mr. Ramesh Kumar (Managing Director) Mr. Ajay Kumar Arora (Whole Time Director) Mrs. Anju Arora (Whole Time Director) Mrs. Geeta Arora (Whole Time Director) Mr. Aditya Arora (Whole Time Director) Mr. Vinod Kumar Sharma (Independent Director) Mr. Preetmohinder Singh Bedi (Independent Director) Mr. Prashanth Vellanki (Independent Director) Mr. Bhavesh Mahajan (Independent Director) Mr. Kartik Kapur (Independent Director) (resigned w.e.f. 02-06-2026) Mr. Swanith Kapoor (Independent Director) (appointed w.e.f. 02-06-2026)	Mr. Aditya Arora
AUDITORS **M/s VIJAY MEHRA & CO.** Chartered Accountants Head Office : D-351, Ranjit Avenue, Amritsar-143001 Tel: 9878887627	**BANKERS** **HDFC Bank Limited** The Mall, Amritsar – 143001 **Axis Bank Limited,** Green Field Avenue, Majitha Road, Amritsar-143001. **ICICI Bank Limited** The Mall, Amritsar – 143001
COMPANY SECRETARY & COMPLIANCE OFFICER Ms. Gurpreet Kaur	**REGISTRAR & SHARE TRANSFER AGENTS** **BIGSHARE SERVICES PRIVATE LIMITED** Office No S6-2, 6th floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai - 400093, India. Board No.: 022 62638200, Fax No: 022 62638299 Email: investor@bigshareonline.com Website: www.bigshareonline.com
REGISTERED OFFICE Village Nagkalan, Majitha Road, Amritsar, Punjab – 143601, India **Tel**: **8558820862** **Website:** https://www.kwalitypharma.com/ **E-mail:** cs@kwalitypharma.com	**43RD ANNUAL GENERAL MEETING ON MONDAY 31ST AUGUST, 2026 AT 12:00 NOON THROUGH VIDEO CONFERENCING (“VC”) / OTHER AUDIO VISUAL MEANS (“OAVM”)**

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FROM THE MANAGING DIRECTOR'S DESK

Dear Shareholders,

Three years ago, at a revenue of ₹250 crore in FY23, we told you we intended to double the business by FY26. We have reached that mark: FY26 closed with consolidated revenue from operations of ₹503 crore. So the promised target is achieved. That is the three-year story. Within in single-year one as well and on year-on-year basis, FY26 revenue grew nearly 36% over FY25's ₹370 crore.

Profitability grew faster than revenue in FY26. Profit After Tax rose almost 69% year-on-year, from ₹39.8 crore to ₹67.3 crore, taking PAT margins from 10.8% to 13.4%, while EBITDA margins expanded by around 200 basis points from 22% to 24%. A richer product mix, growing contribution from regulated and semi-regulated markets, operating leverage, and increasing traction in registration-led business in our key geographies contributed to this.

The year was not without its difficulties. Conflict in the Middle East and West Asia disrupted regional supply chains and delayed customer payments for much of FY26, keeping debtor days elevated at 208. We responded by tightening inventory management and payables, which brought our overall cash conversion cycle down from 208 days to 170 days even while the external environment remained difficult. That cycle has improved further in Q1 FY27.

Some of what we built in FY26 will show results only in the years ahead. Our facilities underwent, and cleared, multiple international regulatory and customer audits during the year. On that foundation, we also stepped up our commercial presence, participating in more than 15 global pharmaceutical exhibitions across Latin America, Africa, the GCC, MENA, and Asia, with the aim of building direct relationships with customers rather than depending on intermediaries.

The same long-term thinking shaped our pipeline decisions. We initiated a large-scale bioequivalence programme spanning more than 40 oral solid dosage molecules, to support a steady stream of global filings and make fuller use of our existing capacity. We also took further steps into biologics, with development underway on three new monoclonal antibodies i.e., Bio-similars (mAbs), all currently under global patent protection; We shall be among the first wave of generic entrants once these patents expire. The clearest marker of progress here is Erythropoietin (Kwalipoietin), our first biologic, which achieved successful pre-clinical outcomes during the year and remains on track for a planned CY2027 launch, subject to regulatory approvals. Capital expenditure continued alongside this work, including a dedicated hormone manufacturing facility and capacity enhancement in oncology and biologics using more advanced automation.

We are also raising our FY27 guidance: we now target revenue of over ₹700 crore, up from our earlier guidance of ₹650 crore, with profitability expected to scale in tandem. We see potential further upside depending on the pace of approvals, registrations, and commercialisation across our priority markets. Over the longer term, we continue to work toward doubling revenue over the next three years, with a goal of ₹1,000 crore plus in topline by FY29.

None of this would have been possible without the people who did the work our teams in quality control and quality assurance, regulatory affairs, manufacturing, finance, sales and marketing.

We are grateful for the continued trust from our stakeholders.

With gratitude and continued commitment,

Ramesh Kumar
Managing Director

KWALITY PHARMACEUTICALS LIMITED
Regd. Office.:- VILLAGE NAGKALAN, MAJITHA ROAD, AMRITSAR – 143601
CIN : L24232PB1983PLC005426; Phone no. :-8558820862
Email Id:- ramesh@kwalitypharma.com**; Website :-** www.kwalitypharma.com

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NOTICE

Notice is hereby given that the **43rd Annual General Meeting ("AGM")** of the members of **KWALITY PHARMACEUTICALS LIMITED** will be held on **Monday, 31st August, 2026** at **12:00 noon** through Video Conferencing ("**VC**") / Other Audio Visual Means ("**OAVM**") to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt:
   (i) the Audited Standalone Financial Statements of the Company for the Financial Year ended **31st March, 2026,** together with Reports of the Board of Directors and Auditors' thereon.

   (ii) the Audited Consolidated Financial Statements of the Company for the Financial Year ended **31st March, 2026** and the Report of the Auditors thereon.

2. To appoint a Director in place of **Mr. ADITYA ARORA (DIN: 07320410)**, liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for reappointment.

3. To appoint a Director in place of **Mrs. ANJU ARORA (DIN : 03155641),** liable to retire by rotation in terms of Section 152(6) of the Companies Act,2013 and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

4. APPOINTMENT OF MR. SWANITH KAPOOR (DIN: 11662482) AS AN INDEPENDENT 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 Mr. Swanith Kapoor (DIN: 11662482), who was appointed on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors as an **Additional Director (Non-Executive, Independent)** of the Company with effect from **June 02, 2026**, in terms of Section 161(1) of the Companies Act, 2013 ("the Act") read with the Rules made thereunder (including any statutory modification(s) or amendment(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company, who is eligible for appointment and who has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under section 160 of the Act , proposing his candidature, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Act, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable Rules, if any, (including any statutory modification(s) or amendment(s) or re-enactment thereof for the time being in force), Regulations 17, 25 and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the Articles of Association of the Company, **Mr. Swanith Kapoor (DIN: 11662482),** who has submitted a declaration that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years **commencing from June 02, 2026 upto June 01, 2031 (both days inclusive).**

RESOLVED FURTHER THAT the Board of Directors, which term shall deem to include any Committee constituted by the Board, be and is hereby authorized to do all such acts, deeds, matters and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution."

5. **RE-APPOINTMENT OF MR. ADITYA ARORA (DIN: 07320410), AS WHOLE TIME DIRECTOR OF THE COMPANY AND APPROVAL OF PAYMENT OF REMUNERATION:**

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

"RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration Committee to the Board Directors and in accordance with the provisions of Sections 196, 197, 198 and 203 read with schedule V to the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015"), and the Articles of Association of Company, consent of the members of the company be and is hereby accorded to the re-appointment of **Mr. ADITYA ARORA (DIN: 07320410), as Whole Time Director** of the Company, for a further period of five years from the completion of his present term of office (i.e. on 29th September 2026) and commencing from 30th September, 2026 till 29th September 2031 who shall be liable to retire by rotation."

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 17(6) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, applicable clauses of Memorandum and Articles of Association of the Company, and on the recommendation of the Nomination and Remuneration Committee and approved by the Board of Directors, approval of the members be and is hereby accorded for fixing the remuneration of **Mr. Aditya Arora (DIN: 07320410),** Whole Time Director of the Company for Rs. 4,50,000/- per month for the period of 3 years starting with effect from 30th September, 2026, with the liberty to the Board of Directors to alter and vary the terms and conditions of his remuneration, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

"RESOLVED FURTHER THAT in addition to the fixed remuneration, he will be entitled to the following allowances, perquisites, benefits, facilities and amenities as per rules of the Company and subject to the relevant provisions of the Companies Act, 2013 (collectively called "perquisites and allowances") and these perquisites and allowances may be granted to the Whole Time Director in such forms and manner as the Board may decide.

a) Company car with driver for official use.
b) Payment/Reimbursement of telephone Expenses.
c) Food Facility at office
d) Other perquisites, allowances, benefits and amenities as per the service rules of the Company applicable from time to time
e) Credit Card Facility

"RESOLVED FURTHER THAT the aforesaid remuneration shall be paid as the minimum remuneration in accordance with the provisions of Part II of Schedule V of the Act, even if in any year, during the tenure of the managerial personnel, the company has no profits or its profits are inadequate as may be determined by the Board/ Nomination & Remuneration committee after making an assessment of company's performance and subject to necessary approvals, if any."

"RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee thereof be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. RATIFICATION OF COST AUDITORS REMUNERATION

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and Rules framed there under, the company hereby ratifies the remuneration of Rs. 1,10,000/- (Rupees One Lakh Ten Thousand Only) plus reimbursement of out of pocket expenses to M/s Verma Khushwinder & Co., Cost Accountants, Jalandhar, appointed by the Board of Directors of the company, to conduct the audit of cost records of the company for the financial year ending 31st March, 2027."

By Order Of the Board

Sd/-

Place:- Amritsar
Date:- 08th August 2026

(GURPREET KAUR)
Company Secretary & Compliance Officer

NOTES

1. Pursuant to the General Circular No. 03/2025 dated September 22, 2025 ('MCA Circulars') and other applicable circulars and notifications issued (including any statutory modifications or re-enactment thereof for the time being in force and as amended from time to time, companies are allowed to hold EGM/AGM through Video Conferencing (VC) or other audio visual means (OAVM), without the physical presence of members at a common venue. In compliance with the said Circulars, **43rd AGM** shall be conducted through VC / OAVM.

2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (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 on account of first come first served basis.

4. 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.

5. 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), the Secretarial Standard on General Meetings (SS-2) issued by the ICSI and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs from time to time, 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 entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-voting on the date of the AGM will be provided by NSDL.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.kwalitypharma.com. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited 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.evoting.nsdl.com.

7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular issued from time to time

8. In Compliance with the Ministry of Corporate Affairs (MCA) Circular No. 03/2025 dated September 22, 2025 issued by the Ministry of Corporate Affairs (MCA) and circular number SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3 October, 2024 issued by the Securities and Exchange Board of India (SEBI) ("the Circulars") the Notice of the AGM along with the Annual Report 2025-26 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2025-26 will also be available on the Company's website at www.kwalitypharma.com, website of the Stock Exchange i.e. BSE Limited at www.bseindia.com. A letter providing the web-link for accessing the Annual report, including the exact path, is being sent to those members who have not registered their email addresses with the Company. Further in case any member is desirous of obtaining physical copy of the Annual Report for the financial year 2025-26 and Notice of the AGM of the Company, he/she may send a request to the Company by writing to cs@kwalitypharma.com mentioning their DP ID and Client ID/ Folio No.

9. In case of joint holders attending the Meeting, the member whose name appears as the first holder in the order of names shall be entitled to vote.

10. The Deemed Venue of the **43rd AGM** of the Company shall be its Registered Office i.e. **VILLAGE NAGKALAN, MAJITHA ROAD, AMRITSAR – 143601.**

11. Members desirous of obtaining any information on the financials and operations of the Company, are requested to send an email to the Company at least seven working days prior to the date of the AGM, so that the information can be kept ready during the meeting.

12. Pursuant to the requirements of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and respective provisions of Secretarial Standard -2, the brief profile /particulars of the Directors of the Company proposed to be appointed/re-appointed at the Annual General Meeting are given in the Annexure to the Notice.

13. The relevant Explanatory Statements pursuant to section 102 (1) of the Companies Act, 2013, in respect of Special Business at the meeting, are annexed hereto and forms part of this notice.

14. The register of members and share transfer books will remain closed from **Tuesday, 25th August, 2026 to Monday, 31st August, 2026** (both days inclusive) for the purpose of Annual General Meeting.

15 Members of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date i.e., Monday, 24th August, 2026**, shall be entitled to vote on the matters provided in the notice.

16. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.

17. The remote e-voting period commence on **Friday, 28th August, 2026 at 09:00 A.M.** and ends on **Sunday, 30th August, 2026 at 5:00 P.M**. Once the vote on a Resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again. At the end of remote e-voting period, the facility shall forthwith be blocked.

18. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their registered email id, bank detail, mandates, nominations, power of attorney etc. to their Depository Participants. Changes intimated to the Depository Participants will then be automatically reflected in Company's records which will help the Company and its Registrars and Transfer Agents, M/s Big share Services Private Limited, to provide efficient and better service to the Members. Members holding share in physical form are requested to advice such changes to the Company's Registrar and transfer agents, M/s Big share Services Private Limited Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, India. (Board No.: 022 62638200, Fax No: 022 62638299, Email: investor@bigshareonline.com , Website: www.bigshareonline.com)

19. As per Regulation 40 of SEBI (LODR) Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s Big share Services Private Limited for assistance in this regard.

20. Non Resident Indian Members are requested to inform Registrar and Transfer Agent, immediately of:
i) Change in their residential status on return to India for permanent settlement.

ii) Particulars of their Bank Account maintained in India with complete name, branch, account, type, account number and address of the bank with pin code number, if not furnished earlier.

21. The SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agents.

22. Mr. Rishi Mittal, Practicing Company Secretary (Membership No. A12613, COP No. 3004) is appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

23. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kwalitypharma.com and website of National Securities Depository Limited (NSDL) i.e. www.evoting.nsdl.com not later than two working days of the conclusion of the Meeting.

24. To support 'Green Initiative', the members who have not yet registered their e-mail addresses are requested to register the same with the Company's Registrar & Share Transfer Agent/ their respective Depositary Participants. Members whose e-mail ids are already registered may update the changes therein, if any. This may be treated as an advanced opportunity in terms of proviso to rule 18(3) (i) of the Companies (Management & Administration) Rules, 2014.

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

The remote e-voting period begins on Friday, 28th August, 2026 at 09:00 A.M. and ends on Sunday, 30th August, 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. Monday, 24th August, 2026, may cast their vote electronically. The voting right 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 24th August, 2026.

How do I vote electronically using NSDL e-Voting system?

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

Step 1: Access to 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 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 advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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 OTP. Enter the OTP received on registered email id/mobile number and click on login. 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. 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. 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 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

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 user 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 evoting is in progress as per the information provided by company. On clicking the evoting 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 also 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 e-Voting option, you will be redirected 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 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.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned 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 user 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 from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in **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 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 also "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 rmittalcs@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 (Pallavi Mhatre) 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), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@kwalitypharma.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), AADHAR (self attested scanned copy of Aadhar Card) to cs@kwalitypharma.com. If you are an 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 user id and password for e-voting by providing above mentioned documents.

4. In terms of 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 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 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 casted 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 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" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join 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 network. 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 cs@kwalitypharma.com. The same will be replied by the company suitably.

6. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance **between 26th August, 2026 (09:00 a.m.) to 28th August, 2026 (05:00 p.m.)** mentioning their name, demat account number/folio number, email id, mobile number at cs@kwalitypharma.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries during **26th August, 2026 (09:00 a.m.) to 28th August, 2026 (05:00 p.m.)** mentioning their name, demat account number/folio number, email ID, mobile number at cs@kwalitypharma.com. These queries will be replied to by the company suitably by email.

7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

By Order Of the Board

Sd/-

Place:- Amritsar
Date:- 08th August, 2026

(GURPREET KAUR)
Company Secretary & Compliance Officer

Explanatory Statements Pursuant to Section 102 (1) of the Companies Act, 2013

Item No: 4

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed **Mr. Swanith Kapoor (DIN: 11662482) as an Additional Director (Non-Executive, Independent) of the Company with effect from June 02, 2026**. In terms of Section 161 (1) of the Companies Act, 2013, **Mr. Swanith Kapoor** holds office up to the date of this Annual General Meeting. Pursuant to the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, **Mr. Swanith Kapoor** has given necessary declaration to the Board that he meets the criteria for independence as provided u/s 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board is of the opinion that **Mr. Swanith Kapoor** fulfils the conditions specified in the Act and the Rules framed thereunder, for appointment as Independent Director and that, he is independent of the management. The appointment of **Mr. Swanith Kapoor** is now being placed before the Members for their approval.

The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature to the office of the directorship of the Company. **Mr. Swanith Kapoor** is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent for appointment as an Independent Director of the Company. The Company has also received the confirmation that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties with an objective judgement and without any external influence.

Further, he is not debarred from holding the office of a Director by virtue of any order passed by SEBI or any other such authority pursuant to circulars dated June 20, 2018, issued by the BSE Limited. He has confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014 with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

Except **Mr. Swanith Kapoor**, being an appointee, none of the Directors, Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends the **Special Resolution** set out at Item No. 4 of the accompanying Notice for the approval of members.

Additional Information as required under Regulation 36(3) of the Listing Regulation, 2015 and Clause 1.2.5 of the Secretarial Standard on General Meetings (SS- 2) with respect to appointment or re-appointment and/or fixation of remuneration of Director is as under :-

Name of the Director	Swanith Kapoor
Director Identification Number (DIN)	11662482
Date of birth /(Age)	05/11/2000 25 years
Date of First Appointment on the Board	02/06/2026

Qualification	**Mr. Swanith Kapoor** is a qualified legal professional. He holds a B.B.A. LL.B. (Hons.) with specialization in Corporate Law from the School of Law, University of Petroleum and Energy Studies, Dehradun, Uttrakhand. He has also completed a Post Graduate Diploma in Medical Law and Ethics from NLSIU, Bengaluru, and is currently pursuing a Master's in Business Laws from NLSIU, Bengaluru.
Brief Profile	**Mr. Swanith Kapoor** is a qualified legal professional. He holds a B.B.A. LL.B. (Hons.) with specialization in Corporate Law from the School of Law, University of Petroleum and Energy Studies, Dehradun, Uttrakhand and was awarded the University Silver Medal. He has also completed a Post Graduate Diploma in Medical Law and Ethics from NLSIU, Bengaluru, and is currently pursuing a Master's in Business Laws from NLSIU, Bengaluru. He has worked as a Legal Intern with TCS, Mumbai and Dhir & Dhir Law Offices, New Delhi.
Experience and expertise in specific functional areas	Corporate Law, Commercial Laws, Regulatory Compliance, Legal Documentation, Corporate Governance, Medical Law & Ethics, Contract Management and Business Laws.
Terms and conditions of appointment or re-appointment	Appointed as an Independent Director for a term of 5 consecutive years, not liable to retire by rotation
Remuneration sought to be paid (₹)	Sitting Fees
Remuneration Last Drawn (₹)	Not Applicable
Number of Meetings of Board attended during the year	Not Applicable
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	There exists no relationship with other Directors and Key Managerial Personnel inter-se
Shareholding in the Company as on March 31, 2026	NIL
Directorships of other Boards (including Directorships on the Board of Listed companies) as on March 31, 2026	NIL
Listed entities from which the Director has resigned in the past three years	NIL
Memberships/ Chairmanship of Board Committees of other companies as on March 31, 2026	NIL

Skills and capabilities required for the role	Expertise in commercial contracts, MOUs and legal documentation. Knowledge of legal due diligence, compliance and risk assessment. Sound understanding of corporate governance and regulatory compliance. Strong analytical skills, legal judgment, integrity and independent decision-making.
Manner in which the proposed person meet such requirements/ Justification for choosing the appointee for appointment as Independent Director	The Board believes that Mr. Swanith Kapoor's qualifications in Corporate Law, knowledge of corporate governance, regulatory compliance and legal matters, along with his analytical skills, make him suitable for appointment as an Independent Director. His experience and independent views will add value to the Board and strengthen its governance.

Item No.5

At 38th AGM held on 30th September 2021, **Mr. Aditya Arora (DIN: 07320410)** was re-appointed as the Whole Time Director of the company for a period of 5 (five) years effective from **30th September 2021 till 29th September, 2026**. Further at 41st AGM held on 24th September 2024, the resolution for increase in remuneration of **Mr. Aditya Arora,** Whole Time Director, with effect from 1st October, 2024 for the remaining period of his tenure in terms of the applicable provisions of the Companies Act 2013, for Companies having inadequate profits and in compliance with the requirements of regulation 17(6)(e) SEBI Listing Regulations, 2015 was passed vide Special Resolution. The current term of re-appointment and validity of remuneration resolution will expire on 29th September 2026. Therefore, it is proposed to seek members' approval for the re-appointment of **Mr. Aditya Arora**, Whole Time Director, for a period of another 5 (five) years starting from 30th September, 2026 till 29th September 2031 and remuneration payable to **Mr. Aditya Arora** is proposed to be approved for a period of 3 (three) years starting w.e.f. 30th September, 2026.

As per the Nomination and Remuneration Policy adopted by the Board, applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Nomination & Remuneration Committee of Directors and the Board of Directors at their respective meetings held on 06th August 2026 and 08th August 2026 respectively, have considered and recommended/ approved the reappointment and remuneration proposed to be paid to **Mr. Aditya Arora**, Whole Time Director, subject to approval of the Members by way of Special Resolution.

In terms of the provisions of Section 197 (as amended by the Companies (Amendment) Act, 2017), read with Schedule V of the Act, the Company is required to obtain the approval of the members by way of a special resolution for payment of remuneration to Managerial Personnel in case of no profits / inadequacy of profits. Further, In terms of Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") the fee and compensation payable to Executive Directors who are promoters or members of promoter group, shall be subject to the approval of the members by a Special Resolution in General Meeting, if, the annual remuneration payable to such executive director exceeds rupees 5 Crore or 2.5 per cent of the net profits of the Company, whichever is higher; **OR** where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the Company.

In order to comply with the requirements of SEBI Listing Regulations and on recommendation of the Nomination and Remuneration Committee and the Board of Directors, approval of members is sought for paying **Mr. Aditya Arora's** remuneration even if the annual aggregate remuneration payable to Mr. Aditya Arora, Mr. Ramesh Kumar, Mr. Ajay Kumar Arora, Mrs. Anju Arora and Mrs. Geeta Arora, Directors of Company, who are also promoters or members of the promoter group, exceeds 5% of the net profit of the Company, as calculated under section 198 of the Companies Act, in any year during the tenure of his appointment.

The Company has received a declaration from **Mr. Aditya Arora** in terms of BSE circular LIST/COMP/14/2018-19 dated June 20, 2018, confirming that he is not debarred from holding the office of Director pursuant to order of SEBI or any other authority. In the opinion of the Board, **Mr. Aditya Arora** satisfies all the conditions set out in the SEBI Listing Regulations and in Part-I of Schedule V to the Act and also conditions set out under sub-section 3 of section 196 of the Act for being eligible for appointment as a Director. Further, he is not disqualified from being appointed as Director in terms of section 164 of the Act and have given consent to act as Director. Brief resume, nature of expertise, name of companies in which he hold directorships and memberships/chairmanships of Board Committees, shareholding, and relationships among directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 besides above, are provided in the statement giving details pursuant to Regulation 36(3) of the Listing Regulations and Clause 1.2.5 of the Secretarial Standard-2 in respect of Directors seeking appointment / reappointment.

Additional Information as required under Regulation 36(3) of the Listing Regulation, 2015 and Clause 1.2.5 of the Secretarial Standard on General Meetings (SS- 2) with respect to appointment or re-appointment and/or fixation of remuneration of Director is as under :-

Name of the Director	Aditya Arora
Director Identification Number (DIN)	07320410
Date of birth /(Age)	17/02/1994, 32 years.
Date of First Appointment on the Board	22-10-2015
Qualification	Mr. Aditya Arora holds degree of Bachelor of Commerce.
Brief Profile	Mr. Aditya Arora is the Whole Time Director of the Company. He holds a Bachelor's degree in Commerce from the Delhi University. He has been associated with the Board of the Company since October 2015. Prior to assuming his current responsibilities, he worked as an intern in various departments for over a year to gain comprehensive understanding of the Company's operations and functions.

	He joined the Company at a young age and has brought youthful energy and fresh perspectives, contributing significantly to the vision of becoming one of the leading manufacturers of finished pharmaceuticals products. He oversees the production, quality assurance and quality control functions across all manufacturing units of the Company and is actively driving operational excellence by aligning these functions with evolving industry standards and next -generation requirements. With his dynamic leadership, proactive approach and strong commitment to operational efficiency, he continues to play key role in the Company's growth and long term success.
Experience and expertise in specific functional areas	Mr. Aditya Arora possesses over a decade of experience in the pharmaceutical industry, with expertise in production management, quality assurance, quality control, manufacturing operations and regulatory compliances.
Terms and conditions of appointment or re-appointment	Re-appointed as Whole Time Director for a period of 5 years, effective from 30-09-2026 to 29-09-2031, liable to retire by rotation.
Remuneration sought to be paid (₹)	No change proposed. The same remuneration as previously approved by the shareholders will continue for the new term.
Remuneration Last Drawn (₹)	Rs. 4,50,000/- per month
Number of Meetings of Board attended during the year	12/12 board meetings attended during 2025-26.
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	Mr. Ajay Kumar Arora (Whole Time Director) Father, Mrs. Geeta Arora (Whole Time Director) Mother, Mr. Ramesh Kumar (Managing Director) Father's Brother, Mrs. Anju Arora (Whole Time Director) Father's Brother's Wife.
Shareholding in the Company as on March 31, 2026	**1241039**
Directorships of other Boards (including Directorships on the Board of Listed companies) as on March 31, 2026	NIL
Listed entities from which the Director has resigned in the past three years	NIL
Memberships/ Chairmanship of Board Committees of other companies as on March 31, 2026	NIL

A statement referred to in Section II, Part II of Schedule V, of the Companies Act, 2013 is stated below:

I. General Information

(1).	Nature of Industry	Pharmaceuticals (manufacturing)
(2).	Date of commencement of commercial production	04-05-1983 (date of Incorporation)
(3).	In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus	Not applicable
(4).	Financial Performance based on given indicators	Please refer to the Financial results in Annual Report.
(5).	Foreign investments or collaborations, if any	For details in relation to foreign investment in the Company, refer to the shareholding pattern of the Company available on the website of the Company & that of the BSE Limited.

II. INFORMATION ABOUT THE APPOINTEE

(1).	Background details	**Mr. Aditya Arora**, is Whole Time Director & CFO of Company. He holds a Bachelor's degree in Commerce from Delhi University and has been associated with the Company since 2015. He oversees the production, quality assurance, quality control and regulatory compliance functions across all manufacturing units, contributing to the Company's operational efficiency and growth.
(2).	Past Remuneration	Rs. 4,50,000/- per month
(3).	Recognition or awards	The Company has received various awards and recognition during his tenure.
(4).	Job Profile and his suitability	Mr. Aditya Arora oversees production, quality assurance, quality control and regulatory compliance across all manufacturing units of the Company. He also supports operational planning and process improvements. His experience, leadership and understanding of the Company's operations make him well suited for the role of Whole Time Director and support the Company's continued growth and operational excellence.
(5).	Remuneration proposed	As set out in the resolution for the item no. 5 of the notice

(6).	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The remuneration is in tune with the current remuneration packages of the similar industry at this level, qualifications and experience of the appointee and the responsibilities shouldered by him.
(7).	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:	Mr. Ajay Kumar Arora (Whole Time Director) Father Mrs. Geeta Arora (Whole Time Director) Mother Mr. Ramesh Kumar (Managing Director) Father's Brother Mrs. Anju Arora (Whole Time Director) Father's Brother's Wife
(8).	Reasons for Losses / Inadequate profits	There are no losses however, there may be inadequate profits in future due to hike in the interest rate, rising running cost, challenging business environment, adverse market conditions and due to change in government policy.
(9).	Steps taken or proposed to be taken for improvement	Company is working towards improving plant efficiencies. Company is taking initiatives in increasing efficiency and cost reduction making progress in turnover. Company is also striving for better efficiency of manufacturing facility by adopting Energy Management Systems, debottlenecking of processes, cost reductions and focusing on new area of market and sales maximization.
(10).	Expected increase in productivity and profits in measurable terms	The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. In view of the steps taken by the Company as stated above, the Company believes that there will be significant increase in productivity and profitability in the years to come.
(11.)	Disclosures	NIL

As required by the Companies Act, 2013, approval of the members is being sought, for the reappointment and fixation of remuneration of **Mr. Aditya Arora**, Whole Time Director.
Except **Mr. Aditya Arora**, Appointee and Mr. Ajay Kumar Arora, Mrs. Geeta Arora, Mr. Ramesh Kumar & Mrs. Anju Arora, directors being relatives of **Mr. Aditya Arora**, none of the other Directors and/or Key Managerial Personnel (KMP) or relatives of other directors and KMP are concerned or interested either financially or otherwise in the Resolution at Item No. 5 of the accompanying Notice.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval of the Members.

Item No.6

The Board on the recommendation of the Audit Committee has approved the appointment and remuneration of Cost Auditors **M/s Verma Khushwinder & Co.,** Cost Accountants, Jalandhar to conduct the audit of the cost records of the Company for the financial year ending March 31, 2027.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2027.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No.6 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members.

By Order Of the Board

Sd/-

Place:- Amritsar **(GURPREET KAUR)**

Date:- 08th August 2026 **Company Secretary & Compliance Officer**

Information Pursuant to the Listing Regulations and Secretarial Standards in Respect of Directors Retiring by Rotation

Name of Director	Date of Birth	Brief Resume and Nature of Expertise in Functional Area	List of Directorship / Committee Memberships in other Public Companies as on 31st March, 2026
ADITYA ARORA (DIN: 07320410)	**17/02/1994**	**Mr. Aditya Arora**, aged **32 years**, holds a Bachelor's degree in Commerce from the University of Delhi. He joined the Company as a **Whole-time Director** in October 2015 and has over 10 years of experience in the pharmaceutical industry. He has expertise in production, quality assurance, quality control, regulatory compliance and business operations.	Other Directorship**: Nil** Name of listed entities in which person also holds directorship or membership of committee :- **Nil** Listed entities from which he has resigned as Director in past 3 years:- **Nil** Committee positions held in Kwality Pharmaceuticals Limited:- **Member in Audit Committee and Corporate Social Responsibility Committee.** Committee Positions held in other Public Companies**: Nil** Relationship with other Directors:- **Relative of Directors Mr. Ajay Kumar Arora, Mrs. Geeta Arora, Mr. Ramesh Kumar and Mrs. Anju Arora.** No. of Shares held in the Company:- **1241039** No. of Board Meetings Attended during the year: - **12/12 in FY 2025-26**

ANJU ARORA (DIN: 03155641)	**01/02/1962**	Mrs. Anju Arora, aged 64 years, holds a Bachelor's degree in Arts. She has been associated with the Company as a Whole-time Director since 2010 and has over 20 years of experience in marketing. She oversees the Company's marketing operations.	Other Directorship :- **Nil** Name of listed entities in which person also holds directorship or membership of committee :- **Nil** Listed entities from which she has resigned as Director in past 3 years:- **Nil** Committee positions held in Kwality Pharmaceuticals Limited:- **Member in Stakeholders Relationship Committee .** Committee Positions held in other Public Companies: **Nil** Relationship with other Directors:- **Relative of Directors Mr. Ramesh Kumar, Mr. Ajay Kumar Arora, Mrs. Geeta Arora and Mr. Aditya Arora.** No. of Shares held in the Company:- 135634 No. of Board Meetings Attended during the year: - **12/12 in FY 2025-26**

Place: Amritsar
Date: 08th August 2026

By Order of the Board
Sd/-
(GURPREET KAUR)
Company Secretary & Compliance Officer

DIRECTORS' REPORT

To

The Members
KWALITY PHARMACEUTICALS LIMITED.

Your Directors have pleasure in presenting the 43rd **Annual Report** of **KWALITY PHARMACEUTICALS LIMITED** along with the Audited Financial Statements for the year ended **31st March 2026**.

1) FINANCIAL HIGHLIGHTS

The Company's financial performance for the year under review has been encouraging and is summarized below

(Rupees in Lacs except Earnings Per Share)

	STANDALONE		CONSOLIDATED	
Particulars	**2025-26**	**2024-25**	**2025-26**	**2024-25**
Revenue from operations	50305.89	37019.70	50308.34	37019.70
Other Income	285.86	192.01	285.86	192.01
Total Income	50591.75	37211.71	50594.19	37211.71
Less:- Depreciation and amortization expenses	1979.43	1825.84	1981.04	1828.96
Less:- Finance cost	1097.04	987.79	1097.04	987.79
Less:- Other Expenses	38483.07	28975.38	38483.96	28980.97
Profit before exceptional items and tax	9032.21	5422.70	9032.16	5413.99
Exceptional items	82.94	0.00	82.94	0.00
Profit before tax	8949.27	5422.70	8949.21	5413.99
Less: Provision for Taxation				
Current Tax	2280.03	1469.47	2280.03	1469.47
Deferred Tax	-88.70	-158.94	-88.70	-158.94
Tax for earlier Years	23.29	123.19	23.29	123.19
Profit / (Loss) After Tax For The Year	6734.66	3988.97	6734.60	3980.27
Other Comprehensive Income /(expense) for the year (net of tax)	13.67	-0.97	13.44	-1.78
Total Comprehensive Income for the year	6748.33	3988.01	6748.04	3978.49
Earnings per equity share [Nominal value of share Rs.10.00 each]				

Basic	**64.90**	**38.44**	**64.90**	**38.36**
Diluted	**64.90**	**38.44**	**64.90**	**38.36**

2) STATE OF AFFAIRS AND FINANCIAL PERFORMANCE

Your Company has prepared the Financial Statements for the financial year ended March 31, 2026, in terms of Sections 129, 133 and other applicable provisions, if any, of the Companies Act, 2013 (as amended) (the "Act") and Schedule III thereto read with the Rules framed thereunder.

The financial performance of the Company during the Financial Year 2025-26 reflects its continued operational resilience, strategic execution and prudent financial stewardship amidst a dynamic business environment. The Company achieved a notable improvement across all key financial parameters, underpinned by enhanced operational efficiencies, disciplined cost optimisation and sustained revenue growth.

On a standalone basis, the **Revenue from Operations** increased to **Rs. 50,305.89 lakhs** from **Rs. 37,019.70 lakhs** in the previous financial year, representing a growth of approximately **35.89%**. Consequently, the **Total Income** rose to **Rs. 50,591.75 lakhs** as against **Rs. 37,211.71 lakhs** during the preceding financial year. The Company's **Profit Before Exceptional Items and Tax** increased substantially to **Rs. 9,032.21 lakhs** from **Rs. 5,422.70 lakhs** in the previous year. After accounting for exceptional items, the **Profit Before Tax** stood at **Rs. 8,949.27 lakhs**, while the **Profit After Tax** increased significantly to **Rs. 6,734.66 lakhs** from **Rs. 3,988.97 lakhs**, registering an impressive growth of approximately **68.83%** over the previous financial year. The **Total Comprehensive Income** for the year amounted to **Rs. 6,748.33 lakhs**, compared with **Rs. 3,988.01 lakhs** in the previous year. Correspondingly, the **Basic and Diluted Earnings Per Equity Share** improved to **Rs. 64.90** from **Rs. 38.44**.

On a consolidated basis, the Company recorded **Revenue from Operations** of **Rs. 50,308.34 lakhs** as compared to **Rs. 37,019.70 lakhs** in the previous financial year. The **Profit Before Tax** stood at **Rs. 8,949.21 lakhs** as against **Rs. 5,413.99 lakhs**, while the **Profit After Tax** increased to **Rs. 6,734.60 lakhs** from **Rs. 3,980.27 lakhs** in the preceding year. The **Total Comprehensive Income** on a consolidated basis aggregated to **Rs. 6,748.04 lakhs**, signifying the sustained financial robustness of the Group.

The substantial enhancement in the financial performance during the year is attributable to improved operational leverage, effective deployment of resources, judicious management of finance and operating costs, and the Company's unwavering emphasis on operational excellence and value creation. The Board of Directors remains encouraged by the Company's resilient financial position and believes that the strategic initiatives undertaken during the year will continue to strengthen its competitive advantage, reinforce stakeholder confidence and facilitate sustainable long-term growth.

3) CHANGES IN NATURE OF BUSINESS

The Company is engaged in the business of manufacturing & trading in Pharmaceuticals & allied products and there was no change in the nature of the business of the Company during the year under review.

4) DIVIDEND

In order to conserve the resources, the Board of Directors does not recommend any dividend for the financial year 2025-26.

5) RESERVES

During the financial year under review, there are no transfers to any specific reserves.

6) ANNUAL RETURN

The Annual Return of the Company as on March 31, 2026 is available on the Company's website and can be accessed at https://www.kwalitypharma.com/annual_returns.php

7) ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details pursuant to Section 134(3) of the Companies Act, 2013 read with Rule 8, sub-rule (3) of Companies (Accounts) Rules, 2014 relating to Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo is given in **Annexure 'A.'**

8) PARTICULARS OF EMPLOYEES REMUNERATION

The information pertaining to Section 197(12) read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **'Annexure B'**. There is no employee drawing a salary exceeding the limit prescribed under Section 197(12) read with Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

9) ADOPTION OF INDIAN ACCOUNTING STANDARDS (IND AS)

The Audited Financial Statements for the financial year ended March 31, 2026 have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.

10) DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board received a declaration from all the directors under section 164 and other applicable provisions, if any, of the Companies Act, 2013 that none of the directors of the company is disqualified under the provisions of the Companies Act, 2013 ('Act') or under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Change in Directors

i) Appointment/Re-appointment

Based on the recommendation of the Nomination and Remuneration Committee, **Mr. Swanith Kapoor (DIN: 11662482)** was appointed as an Additional Director (under Independent Director category) of the Company by the Board at its meeting held on June 02, 2026, under the provisions of section 161(1) and other applicable provisions, if any, of the Companies Act, 2013 and is entitled to hold office upto the date of 43rd Annual General Meeting of the Company.

The Company has also received requisite disclosures/ declarations from **Mr. Swanith Kapoor** under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015 and its amendments thereunder. **Mr. Swanith Kapoor** is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. In opinion of the Board, he fulfills the conditions specified in the Companies Act, 2013 & Listing Regulations and is independent of the management. The Board recommends the Special Resolution for his appointment as Independent director of the company for approval by the Members at the ensuing AGM.

The aforesaid appointment with brief profile and other related information of Mr. Swanith Kapoor forms part of the Notice convening the ensuing AGM.

The Board recommends the above appointment for the consideration of Members of the Company at the ensuing Annual General Meeting.

At the previous Annual General Meeting of the Company held on **September 09, 2025**, **the members approved the following:**

- Appointment of **Mr. Vinod Kumar Sharma (DIN: 08502519)** as an **Independent Director** of the Company for a term of five (5) consecutive years **with effect from July 26, 2025 to July 25, 2030.**

- Re-appointment of **Mr. Ramesh Kumar (DIN: 00462656)** as the **Managing Director** of the Company for a period of five (5) years **with effect from January 16, 2026 to January 15, 2031**, **and approval of the payment of remuneration** to him for a period of three (3) years from **January 16, 2026 to January 15, 2029.**

- Re-appointment of **Mr. Ajay Kumar Arora (DIN: 00462664)** as the **Whole Time Director** of the Company for a period of five (5) years **with effect from January 16, 2026 to January 15, 2031**, **and approval of the payment of remuneration** to him for a period of three (3) years from **January 16, 2026 to January 15, 2029.**

- Re-appointment of **Mrs. Anju Arora (DIN: 03155641)** as the **Whole Time Director** of the Company for a period of five (5) years **with effect from January 16, 2026 to January 15, 2031**, **and approval of the payment of remuneration** to her for a period of three (3) years from **January 16, 2026 to January 15, 2029.**

- Re-appointment of **Mrs. Geeta Arora (DIN: 03155615)** as **Whole-time Director** of the Company for a period of five (5) years **with effect from January 16, 2026 to January 15, 2031, and approval of the payment of remuneration** to her for a period of three (3) years from **January 16, 2026** to **January 15, 2029**.

- Re-appointment of **Mr. Kartik Kapur (DIN: 08966816) as an Independent Director** of the Company for a second term of five (5) consecutive years effective from **January 16, 2026 to January 15, 2031.**

During the year under review, the members of the Company have approved (through Postal Ballot):

- Based on the recommendation of Nomination and Remuneration Committee, the board had appointed **Mr. PreetMohinder Singh Bedi (DIN: 11452004)** as an **Additional Director (Non-**

Executive and Independent) with effect from **January 01, 2026**. In terms of Regulation 17(1C) of Listing Regulations, the said appointment was duly approved by the shareholders of the Company by way of special resolution passed through postal ballot on **March 28, 2026**. Further, the Board is of the opinion that **Mr. PreetMohinder Singh Bedi** possesses the requisite qualifications, knowledge, experience and proficiency and has the necessary expertise in the relevant fields. The Board is also satisfied that he possesses the highest standards of integrity.

- Based on the recommendation of Nomination and Remuneration Committee, the board had appointed **Mr. Bhavesh Mahajan (DIN: 09614108)** as an **Additional Director (Non-Executive and Independent)** with effect from **January 28, 2026**. In terms of Regulation 17(1C) of Listing Regulations, the said appointment was duly approved by the shareholders of the Company by way of special resolution passed through postal ballot on **March 28, 2026**. Further, the Board is of the opinion that **Mr. Bhavesh Mahajan** possesses the requisite qualifications, knowledge, experience and proficiency and has the necessary expertise in the relevant fields. The Board is also satisfied that he possesses the highest standards of integrity.

Cessation

- **Mr. Kiran Kumar Verma (DIN: 07415375) ceased to be an Independent Director** of the Company and also ceased to be the Chairperson of Nomination & Remuneration Committee and a Member of the Audit Committee of the Company with effect from the close of business hours **on July 26, 2025,** pursuant to his resignation **due to other professional commitments.**

- **Mr. Pankaj Takkar (DIN: 07414345) ceased to be an Independent Director** of the Company and also ceased to be the Chairperson of Audit Committee, a Member of Nomination and Remuneration Committee and a Member of Corporate Social Responsibility Committee with effect from **January 31, 2026**, **upon completion of his second consecutive term as an Independent Director.**

- **Mr. Ravi Shanker Singh (DIN: 02303588) ceased to be an Independent Director** of the Company and also ceased to be the Chairperson of Stakeholders Relationship Committee and a Member of Nomination and Remuneration Committee with effect from **January 31, 2026, upon completion of his second consecutive term as an Independent Director.**

- **Mr. Kartik Kapur (DIN: 08966816) ceased to be an Independent Director** of the Company with effect from the close of business hours on **June 02, 2026 pursuant to his resignation due to other professional commitments.**

The Board of Directors places on record its sincere appreciation for the valuable guidance and contributions made by **Outgoing Directors** during their association with the Company.

ii.) RETIREMENT BY ROTATION

In accordance with the provisions of section 152 of the Companies Act, 2013 and the Articles of Association of the Company, **Mr. Aditya Arora and Mrs. Anju Arora**, directors retire by rotation at the ensuing Annual General Meeting and offer themselves for reappointment.

iii.) Key Managerial Personnel: The following are the Key Managerial Personnel of the Company for the year:

Sr. No.	Name of Person	Designation
1.	Mr. Ramesh Kumar	Managing Director
2.	Mr. Ajay Kumar Arora	Whole Time Director
3.	Mr. Aditya Arora	Whole Time Director
4.	Mrs. Anju Arora	Whole Time Director
5.	Mrs. Geeta Arora	Whole Time Director
6.	Ms. Gurpreet Kaur	Company Secretary

11) NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2025-26, **12** meetings of the Board of Directors of the company were held and the details of which are given in the Corporate Governance Report which is enclosed with director's report as **"Annexure E".** The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

12) COMMITTEES OF THE BOARD

The Board has constituted various committees to support the Board in discharging its responsibilities. The following four committees are constituted by the Board:

AUDIT COMMITTEE

The Audit Committee presently comprises Mr. Bhavesh Mahajan as the Chairperson and Mr. Vinod Kumar Sharma and Mr. Aditya Arora as Members. During the year under review, Mr. Kiran Kumar Verma ceased to be a Member of the Audit Committee with effect from July 26, 2025, consequent to his resignation from the Board. Accordingly, Mr. Vinod Kumar Sharma, who was appointed as an Independent Director of the Company with effect from July 26, 2025, was appointed as a Member of the Audit Committee w.e.f. July, 26, 2025. Further, Mr. Pankaj Takkar ceased to be the Chairperson and a Member of the Audit Committee with effect from January 31, 2026, upon completion of his second term as an Independent Director. Consequently, Mr. Bhavesh Mahajan, who was appointed as an Independent Director of the Company w.e.f. January 28, 2026, was appointed as the Chairperson of the Audit Committee w.e.f. February 1, 2026. The details of the terms of reference of the Audit Committee, the meetings held during the year and the attendance of the Members thereat are provided separately in the Corporate Governance Report.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee presently comprises Mr. Vinod Kumar Sharma as the Chairperson and Mr. Bhavesh Mahajan and Mr. Preetmohinder Singh Bedi as Members. During the year under review, Mr. Kiran Kumar Verma ceased to be the Chairperson and a Member of the Nomination and Remuneration Committee with effect from July 26, 2025, consequent to his resignation from the

Board. Accordingly, Mr. Vinod Kumar Sharma, who was appointed as an Independent Director of the Company w.e.f. July 26, 2025, was appointed as the Chairperson of the Nomination and Remuneration Committee w.e.f. July 26, 2025. Further, Mr. Pankaj Takkar and Mr. Ravi Shanker Singh ceased to be the Members of the Nomination and Remuneration Committee w.e.f. January 31, 2026, upon completion of their second term as Independent Directors. Consequently, Mr. Preetmohinder Singh Bedi, who was appointed as an Independent Director of the Company w.e.f. January 1, 2026, and Mr. Bhavesh Mahajan, who was appointed as an Independent Director of the Company w.e.f. January 28, 2026, were appointed as Members of the Nomination and Remuneration Committee w.e.f. February 01, 2026. The details of the terms of reference of the Nomination and Remuneration Committee, the meetings held during the year and the attendance of the Members thereat are provided separately in the Corporate Governance Report.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee presently comprises Mr. Preetmohinder Singh Bedi as Chairperson and Mrs. Geeta Arora and Mrs. Anju Arora as members. During the year under review, Mr. Ravi Shanker Singh ceased to be the Chairperson and a Member of Stakeholders Relationship Committee w.e.f. January 31, 2026, upon completion of his second term as an Independent Director. Consequently, Mr. Preetmohinder Singh Bedi, who was appointed as an Independent Director of the Company w.e.f. January 01, 2026 was appointed as the Chairperson of the Committee with effect from February 01, 2026. The details of the terms of reference of the Stakeholders' Relationship Committee, the meetings held during the year and the attendance of the Members thereat are provided separately in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee ("CSR Committee") is duly constituted in terms of the requirements of the Companies Act, 2013. During the year under review, Mr. Pankaj Takkar ceased to be a member of the Corporate Social Responsibility Committee w.e.f. January 31, 2026, upon completion of his second term as an Independent Director of the Company. Consequently, Mr. Bhavesh Mahajan, who was appointed as an Independent Director of the Company w.e.f. January 28, 2026 was appointed as a Member of the CSR Committee w.e.f. February 01, 2026. During the financial year 2025-26, one meeting of CSR committee was held on March 30, 2026. The composition of CSR Committee and attendance of members at the meeting are as follows:

Name	Category	Meetings held during 2025-26	No. of Meetings Attended
Geeta Arora	Chairperson	1	1
Aditya Arora	Member	1	1
Bhavesh Mahajan	Member	1	1

13) MEETINGS OF INDEPENDENT DIRECTORS

The Independent Directors met on 31st March 2026 inter alia, to

a) review the performance of the Non-Independent Directors and the Board of Directors as a whole;
b) review the performance of the Managing Director of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
c) assess the quality, content and timeliness of the flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

14) DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

The Company has one subsidiary company '**Kwality Pharmaceuticals Africa, Limitada'** at Maputo Province, Mozambique which is mainly engaged in the Pharmaceuticals business. The Board reviewed the affairs of the Company's subsidiary during the year at regular intervals. In accordance with section 129(3) of the Companies Act, 2013, the Company has prepared Consolidated Financial Statements of the Company and its subsidiary, which forms part of this Annual Report. Further, a statement containing the salient features of the financial statements of the Company's subsidiary, in Form AOC-1, as required under the Companies Act, 2013, forms part of the Financial Statements and is included in the Annual Report. During the year under review, no company became or ceased to be a Subsidiary, Joint Venture or Associate Company of the Company.

15) MECHANISM FOR EVALUATING BOARD MEMBERS:

Pursuant to the provisions of Section 134(3)(p) of the Companies Act, 2013 ("the Act"), read with Rule 8(4) of the Companies (Accounts) Rules, 2014, and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Board has carried out an annual evaluation of its own performance, the performance of individual Directors and the performance of its Committees.
A structured questionnaire was prepared after taking into consideration the inputs received from the Directors. The evaluation covered various aspects of the functioning of the Board and its Committees, including, inter alia, the adequacy of the composition of the Board and its Committees, the effectiveness of the Board's processes and functioning, Board culture, quality and timeliness of information provided to the Board, execution and performance of the Board's duties and responsibilities, effectiveness of governance practices and the overall contribution of the Board towards the growth and governance of the Company.
The performance of the Committees was evaluated by the Board after seeking inputs from the respective Committee Members. The evaluation was based on various criteria, including the composition of the Committees, adequacy and frequency of Committee meetings, effectiveness of the Committees' functioning, discharge of their respective roles and responsibilities and the quality of recommendations made by the Committees to the Board.
The performance of individual Directors was evaluated on the basis of various criteria, including their attendance and participation in the meetings of the Board and its Committees, contribution to the deliberations and decision-making process, adherence to the applicable provisions of law and the Company's policies, exercise of duties with due and reasonable care, skill and diligence, acting in good faith and in the best interests of the Company and its stakeholders, and such other parameters as considered appropriate by the Board.
In addition, the performance of the Managing Director was evaluated by the Board on the key aspects of his role, including leadership, strategic direction, achievement of business objectives, operational and

financial performance and overall contribution towards the growth and sustainable development of the Company.

Further, in accordance with the applicable provisions of the Act and the Listing Regulations, the Independent Directors, at their separate meeting held without the presence of the Non-Independent Directors and members of the management, evaluated the performance of the Non-Independent Directors and the Board as a whole, taking into account the views of the Executive Directors and Non-Executive Directors.

16) FAMILIARISATION PROGRAMME FOR BOARD MEMBERS

The Company has in place a structured Familiarization Programme for its Independent Directors, which aims to familiarize them with the Company, its business, operations, industry, business model, organizational structure and the environment in which the Company operates. The Programme also provides the Independent Directors with periodic updates on the Company's strategy, business performance, financial position, key developments, risk management framework, internal control systems and such other matters as may be relevant for enabling them to effectively discharge their roles and responsibilities.

The Independent Directors are also apprised of their roles, rights, responsibilities and duties under the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws and regulations. The Familiarization Programme is conducted through presentations, meetings, periodic updates and interactions with the Managing Director, Senior Management and other functional heads of the Company.

The details of the Familiarization Programme imparted to the Independent Directors, including the disclosures required under the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are available on the website of the Company at https://www.kwalitypharma.com/assets/Disclosure%20under%20Regulation%2046/Familiarization%20Programmes%20imparted%20to%20Independent%20Directors.pdf

17) STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

The Company had received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and under Regulation 16 (1)(b) of Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company and in the opinion of the Board, the Independent Directors fulfil the conditions specified under the Act and the Listing Regulations and are Independent of the management of the company.

18) POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of the Directors, the senior management and their remuneration. The remuneration policy is stated in the Corporate Governance Report.

19) WHISTLE BLOWER POLICY

Pursuant to the Section 177(9) and (10) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated

Whistle Blower Policy for vigil mechanism for Directors and Employees to report the management about the unethical behavior, fraud, improper practice or violation of the Company's Code of Conduct or complaints regarding accounting, auditing, internal controls or disclosure practices of the Company. It gives a platform to the whistle blower to report any unethical or improper practice (not necessarily violation of law) and to define processes for receiving and investigating complaints. The mechanism provides adequate safeguards against victimization of employees and directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. The Whistle Blower Policy is available on the website of the Company at https://www.kwalitypharma.com/assets/CORPORATE%20POLICIES_/Whistle-Blower-Policy.pdf

20) VIGIL MECHANISM

Pursuant to the provisions of Section 177(9) and (10) of the Companies Act, 2013, the Company has established a Vigil Mechanism to provide a mechanism for Directors and Employees to report genuine concerns relating to unethical behaviour, actual or suspected fraud, violation of the Company's Code of Conduct or any other improper or unethical practices.

The Vigil Mechanism provides adequate safeguards against victimization of persons who avail of the mechanism and also provides for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. The Company affirms that no person has been denied access to the Audit Committee during the financial year under review.

21) RISK MANAGEMENT

The Company has in place a robust and comprehensive Risk Management Framework for identification, assessment, evaluation, monitoring and mitigation of various risks associated with its business and operations. The framework is designed to identify and assess risks on a continuous basis and to ensure that appropriate mitigation measures and internal controls are implemented to manage such risks effectively.

Considering the nature of the pharmaceutical industry, the Company is exposed to various risks, including regulatory and compliance risks, product quality and safety risks, manufacturing and operational risks, supply chain and procurement risks, risks relating to availability and pricing of raw materials, market and competition risks, research and development risks, intellectual property risks, information technology and cybersecurity risks, financial and liquidity risks and environmental, health and safety risks. The Company has established appropriate policies, procedures and internal control systems to identify, evaluate, monitor and mitigate these risks.

The Board of Directors periodically reviews the risk assessment and mitigation measures and monitors the implementation and effectiveness of the Risk Management Framework. The Audit Committee also reviews the adequacy and effectiveness of the Company's risk management and internal control systems, wherever applicable.

The Company's Risk Management Framework is reviewed periodically and is aligned with its business objectives, regulatory requirements and overall growth strategy. The Board is of the opinion that there are no risks which, in its assessment, may threaten the existence of the Company.

22) STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the rules framed thereunder, the Members of the Company, at the 41st Annual General Meeting held on September 24, 2024 had appointed **M/s Vijay Mehra & Co., Chartered Accountants**, **Amritsar (FRN: 001051N)** as the Statutory Auditors of the Company for a period of five consecutive years commencing from the conclusion of the 41st Annual General Meeting until the conclusion of the 46th Annual General Meeting of the Company.

23) AUDITORS' REPORT

M/s VIJAY MEHRA & CO., Chartered Accountants, have submitted their Report on the Financial Statements of the Company for the F.Y 2025-26, which forms part of the Annual Report. The Statutory Auditors' Report on the Financial Statements of the Company for FY 2025-26 does not contain any qualifications, reservations, adverse remarks or disclaimer.

The Statutory Auditors of the Company have not reported any fraud as specified under section 143(12) of the Act, in the year under review.

24) COST AUDITORS

Pursuant to Section 148(3) of the Companies Act, 2013, **M/s Verma Khushwinder & Co., Cost Accountants, Jalandhar**, were appointed as the Cost Auditors of the Company for the financial year 2025-26 by the Board of Directors and their remuneration was ratified by members at the 42nd Annual General Meeting of the Company.

Further, the Board of Directors has appointed **M/s Verma Khushwinder & Co**. as the Cost Auditors of the Company for the financial year 2026-27 and has also fixed their remuneration. The Board has recommended the remuneration approved in its meeting, for ratification by the shareholders in the ensuing AGM of the Company.

The Company has maintained the Cost Records as specified by the Central Government under Section 148(1) of the Act.

25) SECRETARIAL AUDITORS

Pursuant to the amended provisions of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors, based on the recommendation of the Audit Committee, appointed **M/s Rishi Mittal & Associates, Practicing Company Secretaries** (Membership No. 12613 and Peer Review Certificate No. 2486/2022), as the Secretarial Auditors of the Company for a term of five (5) consecutive financial years, i.e., from FY 2025–26 to FY 2029–30, commencing from the conclusion of the **42nd Annual General Meeting ("AGM")** until the conclusion of the **47th AGM** of the Company. The said appointment was subsequently approved by the Members of the Company at the 42nd AGM.

The Secretarial Audit Report for Financial Year 2025-26 forms part of the Annual report as **"Annexure C"** to the Board's report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

26) DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

In view of the profits and turnover of the Company, your Company was required to undertake CSR projects during the year 2025-26 under the provisions of section 135 of the Companies Act, 2013 and the rules made thereunder. As part of its initiatives under Corporate Social Responsibility (CSR)", the Company has undertaken various activities, which are in accordance with CSR Policy of the Company and Schedule VII of the Companies Act, 2013.The Board has approved a CSR policy on the recommendations of the CSR Committee. The Annual Report on CSR activities as required under Companies (Corporate Social Responsibility) Rules, 2014 is set out at **Annexure-D** forming part of this Board Report.

27) REPORT ON CORPORATE GOVERNANCE:

The Company is committed to maintain the highest standards of the Corporate Governance aligned with the best practices. In compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on corporate governance along with a certificate from practicing company secretary on its compliance forms an integral part of this Board's Report.

A report on Corporate Governance as stipulated in Part C of Schedule V of the Listing Regulations is provided in a separate section and is annexed to this Report and marked as "**Annexure E"**.

28) MANAGEMENT DISCUSSION AND ANALYSIS:

A detailed review of the operations and performance of the Company is set out in the Management Discussion and Analysis Report pursuant to Regulation 34 Part-B of Schedule V of the (Listing Obligations and Disclosure Requirements)Regulations, 2015 which forms part of the Annual Report for the year under review as "**Annexure F"**.

29) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

30) PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 ('the Act') and SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no related party transactions made by the Company with the Promoters, Directors and Key Managerial Personnel which may have a potential conflict with the interest of the Company at large.

The Board of Directors of the Company has approved the criteria for giving the omnibus approval by the Audit Committee within the overall framework of the Policy on Related Party Transactions. Omnibus approval was obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and at arm's length basis.

The transactions with the related parties have been disclosed in the financial statements. During the year the company has not entered into any contracts / arrangements / transactions with related parties which could be considered material in accordance with policy of the Company on material related party transactions or under section 188 (1) of the Act. Thus disclosure in Form AOC-2 is not required.

31) COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

Your Directors state that they have devised proper systems to ensure compliance with the Secretarial Standards and that such system are adequate and operating effectively. During the year under review, the Company has complied with the provisions of all the Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under section 118 of the Companies Act, 2013.

32) MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of this Report.

33) DEPOSITS

Your Company has not accepted any deposits from the public during the year under review, within the meaning of Section 73 of the Companies Act, 2013 ('the Act) read with the Companies (Acceptance of Deposits) Rules, 2014, and no amount of principle or interest on deposits from the public is outstanding as on the date of Balance Sheet.

34) SHARE CAPITAL

During the year under review, there was no change in the paid-up equity share capital of the Company. The paid-up equity share capital of the Company as on March 31, 2026, stood at Rs 1,037.62 Lakhs.

35) PROVISION OF MONEY BY COMPANY FOR PURCHASE OF ITS OWN SHARES BY EMPLOYEES OR BY TRUSTEES FOR THE BENEFIT OF EMPLOYEES

The company has not made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees as per Rule 16(4) of Companies (share capital and debentures) Rules, 2014.

36) ISSUE OF SWEAT EQUITY SHARES

The Company has not issued any sweat equity share during the financial year in accordance with the provisions of Section 54 of Companies Act, 2013 read with Rule 8 of the Companies (Share Capital and Debentures) Rules, 2014.

37) ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS

The Company has not issued any equity shares with differential voting rights during the financial year as per Rule 4(4) of Companies (Share capital and debentures) Rules, 2014.

38) ISSUE OF EMPLOYEE STOCK OPTION

The company has not issued any employee stock option during the financial year as per Rule 12 of Companies (share capital and debentures) Rules, 2014.

39) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has comprehensive and adequate internal financial controls system for all major processes including financial statements to ensure reliability of reporting. The system also helps management to have timely data/feedback on various operational parameters for effective review. It also ensures proper safeguarding of assets across the Company and its economical use. The internal financial controls system of the Company is commensurate with the size, scale and complexity of its operations. The systems and controls are periodically reviewed and modified based on the requirement.

The Company has an internal audit function which is empowered to examine the adequacy and compliance with policies, plans and statutory requirements. It is also responsible for assessing and improving the effectiveness of risk management, control and governance process. The scope of Internal Audit is well defined and documented and the audit committee reviews the observations of the Internal Audit critically. The composition and working of the audit committee forms part of the Corporate Governance Report.

Internal audits are conducted on a quarterly basis by the Internal Auditors, covering the Company's major units, business operations and key processes, with a view to independently assess the adequacy and effectiveness of the existing internal controls. The reports and observations of the Internal Auditors are periodically reviewed by the Management, and appropriate corrective and preventive actions are initiated, wherever required, to strengthen the internal control framework and enhance the effectiveness of the existing systems and processes. During the year under review, no material weakness or significant deficiency in the Company's internal control systems was observed or reported by the Internal Auditors.

40) COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Gurpreet Kaur (Membership No. 52091) is the Company Secretary, Key Managerial Personnel and Compliance Officer of the Company.

41) DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy has set guidelines on the redressal and enquiry process that is to be followed by complainants, whilst dealing with issues related to sexual harassment at the work place. All women employees (permanent, temporary, contractual and trainees) are covered under this policy. An Internal Complaints Committee has been set up to redress the complaints received regarding sexual harassment. Your Company did not receive any complaints during the period under review.

42) PROHIBITION OF INSIDER TRADING

The Board of Directors has adopted the Insider Trading Policy in accordance with requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The Policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company Securities. The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading is available on the Company's website at https://www.kwalitypharma.com/assets/CORPORATE%20POLICIES_/Code%20of%20Practice%20and%20Procedure%20for%20fair%20disclosure%20of%20UPSI.pdf

43) SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review, no significant or material orders were passed by any regulator, court or tribunal which could impact the going concern status of the Company or its future operations.

44) TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

45) DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013 Your Directors' confirm that:

i. in the preparation of the annual accounts for the financial year ended March 31, 2026, the applicable accounting standards have been followed along with proper explanation relating to material departures;
ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2026 and of the profit of the Company for that period;
iii The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies 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 on a 'going concern' basis;

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

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

46) POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

Based on the recommendation of Nomination & Remuneration Committee, the Board of Directors approved and adopted a Policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and other employees of the Company as required under Section 178(3) of the Act. The Remuneration Policy on the appointment and remuneration of Directors and Key Managerial Personnel provides a framework based on which our human resources management aligns their recruitment plans for the strategic growth of the Company. The policy may be accessed under the 'Investor Relations' section on the website of the Company at the web link https://www.kwalitypharma.com/assets/CORPORATE%20POLICIES_/Nomination%20_%20Remuneration%20Policy.pdf

47) POSTAL BALLOT

During the year under review, the Members of the Company passed Special Resolutions through Postal Ballot approving the appointment of **Mr. PreetMohinder Singh Bedi** and **Mr. Bhavesh Mahajan** as Independent Directors of the Company.

48) CASH FLOW STATEMENT

In due compliance of the listing agreement and in accordance with the requirements prescribed by SEBI, the cash flow statement is prepared and is appended to this Annual Report.

49) HUMAN RESOURCES

The Company recognizes that its employees are its most valuable asset and a key driver of its sustained growth and success. The Company is committed to fostering a professional, inclusive, safe and collaborative work environment that encourages employee engagement, continuous learning, innovation and overall development.

The Company focuses on attracting, developing and retaining competent talent and provides its employees with opportunities for skill enhancement, professional growth and career development. Regular training and development programmes are conducted to enhance technical, functional and behavioural competencies and to promote awareness of quality standards, regulatory requirements, good manufacturing practices, safety and other relevant areas.

The Company continues to maintain cordial and harmonious industrial relations across its operations. The Company's human resource policies and practices are designed to promote employee welfare, equal opportunity, performance-based development and a culture of integrity, accountability and teamwork.

The Company places due emphasis on employee health, safety and well-being and strives to provide a safe, healthy and supportive workplace. The Company acknowledges and appreciates the commitment, dedication and valuable contribution of its employees at all levels towards the growth and continued success of the Company.

50) STATEMENT ON COMPLIANCE WITH MATERNITY BENEFITS:

The Company complies with the applicable provisions of the Maternity Benefit Act, 1961, extending all statutory benefits to eligible women employees, including paid maternity leave, continuity of salary and service during the maternity leave period, and post maternity support such as nursing breaks and flexible return-to-work options, as applicable. Your company remains committed to fostering an inclusive and supportive work environment that upholds the rights and welfare of its women employees in accordance with applicable laws.

51) OTHER DISCLOSURES

The Company does not have any Employees Stock Option Scheme in force and hence particulars are not furnished, as the same are not applicable. No proceedings against the Company is initiated or pending under the Insolvency and Bankruptcy Code, 2016. The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof – Not Applicable. During the year under review, the Statutory Auditor, Cost Auditor and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee and / or Board under section 143(12) of the Act.

52) INDUSTRIAL RELATIONS

The Company continued to maintain cordial and harmonious industrial relations throughout the year under review. The Company recognizes that its employees are a key contributor to its growth and success and remains committed to fostering a positive, safe, inclusive and collaborative work environment.

53) ENVIRONMENT, HEALTH AND SAFETY

The Company remains committed to conducting its operations in an environmentally sustainable and socially responsible manner. During the year under review, all applicable environmental and safety regulations were complied with. Regular safety audits, training sessions, and medical check-ups were conducted to ensure workplace safety and employee well-being. Waste disposal, emissions, and effluent treatment were managed as per statutory norms, and energy conservation measures were implemented across operations.

54) ACKNOWLEDGEMENTS:

The Board of Directors places on record its sincere appreciation and gratitude for the continued support, trust and cooperation extended by the Company's Members, customers, suppliers, business associates, bankers, financial institutions, regulatory authorities and other stakeholders. The Board also acknowledges and appreciates the commitment, dedication and valuable contributions of the employees and workers at all levels towards the growth and sustained performance of the Company. The Board looks forward to their continued support and cooperation in the years ahead.

.

For and on Behalf of the Board

	Sd/-	**Sd/-**
	(RAMESH KUMAR)	**(AJAY KUMAR ARORA)**
Place: Amritsar	**Managing Director**	**Whole Time Director**
Date: 08th August, 2026	**DIN: 00462656**	**DIN: 00462664**

ANNEXURE 'A'

Disclosure under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014

A) **Conservation of energy:**

Steps taken for conservation of energy	The Company remains committed to sustainable and responsible manufacturing practices and continues to implement appropriate energy conservation and energy-efficiency measures across its facilities. The Company focuses on optimizing the utilization of energy and other resources, reducing energy costs and minimizing the environmental impact of its operations, while ensuring compliance with applicable pharmaceutical quality standards and regulatory requirements. The Company continuously monitors energy consumption and related costs and periodically reviews the efficiency and effectiveness of its energy utilization practices. Appropriate measures are undertaken to reduce energy consumption through efficient usage, timely maintenance of equipment and the installation, replacement and upgradation of energy-efficient devices and technologies, wherever considered necessary and feasible. To achieve the above objectives, the Company has undertaken the following energy conservation measures during the year under review: • Use of heat pumps for hot water generation to reduce reliance on steam and associated energy costs. • Installation of an energy-efficient Blower for HVAC systems. • Upgradation of inefficient electric motors to IE2 energy-efficient. • Implementation of demand side compressed air management to minimize energy use in an air compressor. • Enhancement of condensate recovery systems, resulting in fuel and water saving . • Replacement of inefficient pumps with energy efficient alternatives.

	• Installation of variable frequency drives (VFDS) for part-load motor operations to optimize power consumption. • Installation of an automatic tube cleaning system in chillers to enhance performance and reduce energy consumption.
Steps taken for utilizing alternate sources of energy	Boiler fuel is shifted from conventional fuel like waste wood and pet coke for Steam generation.
Capital investment on energy conservation equipment	No additional investment was made for the above purpose. However, proposal for alternate source of Energy e.g. hydrogen is in consideration and may be implemented in 2027-28.

(B) **Technology Absorption:**

The Company is engaged in the process research for new products and continuous improvement of existing products.

RESEARCH & DEVELOPMENT (R&D)

During the financial year under review, the Company made significant progress in its Research and Development (R&D) initiatives. The Company has obtained recognition from the **Department of Scientific and Industrial Research (DSIR), Government of India**, strengthening its commitment to innovation and scientific research. During the year under review, the Company invested approximately ₹60 lakh in R&D machinery and equipment to strengthen its research infrastructure and enhance its capabilities in undertaking advanced research and development activities.

The Company successfully completed the characterization of the protein chain of Erythropoietin, and the pre-clinical study has been submitted to the **Review Committee on Genetic Manipulation (RCGM) under the Department of Biotechnology (DBT).** Further research activities are underway in the areas of biosimilars and peptide-based therapeutics aimed at addressing various diseases.

The Company has also implemented advanced molecular simulation software to study the theoretical interaction of amino acid molecules with biological cells, with encouraging preliminary results. A dedicated scientist, supported by a qualified biological technical team, has been appointed to drive these research initiatives. The Company is optimistic that these efforts may lead to the development of novel therapeutic molecules over the next two to three years, subject to successful research outcomes, regulatory approvals, and commercialization.

During the year, the Company completed the registration of approximately 30–40 oncology products across highly regulated and semi-regulated markets. In addition, bioequivalence studies for 16 generic formulations expected to come off-patent are nearing completion, and these products are being prepared for registration in multiple countries, including India, to support future business growth.

(C) **Foreign exchange earnings and Outgo:(in Rupees Lacs)**

Particulars	Year ended 31st March 2026 (Rs. In Lacs)	Year Ended 31st March 2025 (Rs. In Lacs)
Earnings		
Export Sales	**24979.72**	**19543.82**
Outgo		
Capital Goods	**31.73**	**224.05**
Raw Materials	**2862.18**	**2151.96**

For and on Behalf of the Board

	Sd/-	**Sd/-**
	(RAMESH KUMAR)	**(AJAY KUMAR ARORA)**
Place: Amritsar	**Managing Director**	**Whole Time Director**
Date: 08th August, 2026	**DIN: 00462656**	**DIN: 00462664**

ANNEXURE 'B'

Information under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2026

A. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial Year:

Executive Director	Ratio to Median Remuneration
RAMESH KUMAR	56.39
AJAY KUMAR ARORA	56.39
ANJU ARORA	24.17
GEETA ARORA	24.17
ADITYA ARORA	36.25

B. The percentage increase in remuneration of each director, chief financial officer, chief executive officer, company secretary or manager, if any, in the financial year

Name	Designation	% increase in remuneration in the financial year
RAMESH KUMAR	Managing Director	16.67
AJAY KUMAR ARORA	Whole Time Director	16.67
ANJU ARORA	Whole Time Director	20.00
GEETA ARORA	Whole Time Director	20.00
ADITYA ARORA	Whole Time Director & CFO	12.50
GURPREET KAUR	Company Secretary	19.04

C. The percentage increase in the median remuneration of employees in the financial year: 3.73 %

D. The number of permanent employees on rolls of the company as on 31st March 2026:- 1137

E. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

	F. Y. 2024-25	F. Y. 2025-26	% increase
Employees' Salary (in Rupees Lakhs)	3797.12	4685.21	23.39
Managerial Remuneration (in Rupees Lakhs)	252.00	294.00	16.67

The company follows performance appraisal methodology where in performances of employees are linked to the key deliverables and key control areas of the company.

F. Affirmation that the remuneration is as per the remuneration policy of the company.
The company affirms that the remuneration is as per the remuneration policy of the Company.

For and on Behalf of the Board

	Sd/-	**Sd/-**
	(RAMESH KUMAR)	**(AJAY KUMAR ARORA)**
Place: Amritsar	**Managing Director**	**Whole Time Director**
Date: 08th August 2026	**DIN: 00462656**	**DIN: 00462664**

ANNEXURE 'C'

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 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,
KWALITY PHARMACEUTICALS LIMITED,
(CIN: L24232PB1983PLC005426)
VILLAGE NAGKALAN, MAJITHA ROAD,
AMRITSAR.

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

Based on our verification of the Company's 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 **March 31, 2026** generally 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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on March 31, 2026 and made available to us, 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;
(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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
(b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during Audit Period)**;

(e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable to the Company during Audit Period)**;

(f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during Audit Period)**;

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client;

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during Audit Period)**;

(i) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018 **(Not applicable to the Company during Audit Period)**; and

(vi) The Drugs (Prices Control) Order 2013;

(vii) The Water (Prevention and Control of Pollution) Act, 1974;

(viii) Environment Protection Act, 1986;

(ix) Drugs and Cosmetics Act, 1940;

(x) Other laws as applicable to the company as per the representations made by the management.

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2);

ii. The provisions envisaged in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and

iii. Listing Agreement(s) entered into by the Company with BSE Limited.

3. During the period under review and as per the explanations and clarifications given to us and the representations made by the management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

4. We have relied on the information & representations made by the company & its officers for systems and mechanisms formed by the company for compliances under other applicable acts, laws and regulations to the company.

5. We further report that we have not reviewed the Compliance of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts by the Company since the same has been subject to review by the Statutory Auditors and other designated professionals.

6. We further report on the basis of information received and records maintained by the company that:

(a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

(b) Adequate notice was given to all directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance except in cases where meetings convened at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(c) As per the minutes of the meetings duly recorded and signed by the chairman, majority decision is carried through and there were no dissenting views on any matter.

7. We further report that as per the explanations and clarifications given to us and the representations made by the management, 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.

8. We further report that during the Audit Period under review, there was no specific event or action in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the Company's affairs.

Place : **AMRITSAR**
Signature: **Sd/- (RISHI MITTAL)**
Date : **08th August 2026**
Name of Company Secretary in practice / Firm: **RISHI MITTAL & ASSOCIATES**
ACS No. 12613 & C P No.: 3004
UDIN: A012613H001052608
Peer Review Certificate No.: 2486/2022

Note:-This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

Annexure 'A'

To,

The Members
KWALITY PHARMACEUTICALS LIMITED.

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

1. Maintenance of secretarial records 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 done on 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 the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, 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.

Place : **AMRITSAR**
Signature: **Sd/- (RISHI MITTAL)**
Date : **08th August 2026**
Name of Company Secretary in practice / Firm: **RISHI MITTAL & ASSOCIATES**
ACS No. 12613 & C P No.: 3004
UDIN: A012613H001052608
Peer Review Certificate No.: 2486/2022

ANNEXURE 'D'

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **Brief outline on CSR Policy of the Company**
The Company has framed Corporate Social Responsibility (CSR) Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society. CSR Policy is stated at the Website of Company: www.kwalitypharma.com

2. **Composition of the CSR Committee**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mrs. Geeta Arora	Chairperson	1	1
2.	Mr. Aditya Arora	Member	1	1
3.	Mr. Bhavesh Mahajan	Member	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:-

https://www.kwalitypharma.com/assets/CORPORATE%20POLICIES_/CSR%20POLICY.pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. **N.A.**

5. (a) Average net profit of the company as per section 135(5):- Rs. 37,15,17,435
(b) Two percent of average net profit of the company as per section 135(5) :- Rs. 74,30,349
(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: - Nil
(d) Amount required to be set off for the financial year, if any:- Nil
(e) Total CSR obligation for the financial year [(b)+(c)-(d)].:- Rs. 74,30,349

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):- Rs. 74,30,349
(b) Amount spent in Administrative Overheads:- Nil
(c) Amount spent on Impact Assessment, if applicable :- Nil
(d) Total amount spent for the Financial Year [(a)+(b)+(c)]:- Rs. 74,30,349

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
74,30,349	N.A.	Nil	N.A.	Nil	N.A.

(f) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	**74,30,349**
(ii)	Total amount spent for the Financial Year	**74,30,349**
(iii)	Excess amount spent for the financial year[(ii)-(i)]	**NIL**
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	**NIL**
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	**NIL**

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Balance Amount in unspent CSR Account under subsection (6) of Section 135 (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any
					Name of the Fund	Amount (in Rs).	Date of transfer.		
1.	**2024-25**	NIL	NIL	NIL	-	-	-	-	-
2.	**2023-24**	4592717	3092717	3092717	-	-	-	-	-
3.	**2022-23**	4636838	NIL	NIL	-	-	-	-	-
	Total	**9229555**	**3092717**	**3092717**	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **Yes**

Number of Capital assets created / acquired: **1**

Details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent (Rupees in Lakhs)	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
1.	Setting up of School Building for special children with Autism, Cerebral Palsy, and Intellectual Disabilities. **Address**: Sugar Mills Compound, Opp. PSPCL Suvida Centre, Jandpeer Road, Khandwala Chowk, G.T. Road, Amritsar.	143105	April 10, 2025 to March 31, 2026	15.75	CSR00043848	**IBADAT**	95, The Mall, Power House Street, Near Kacheri Chowk, Amritsar, Punjab-143001

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5).: Not Applicable.

For and on Behalf of the Board

	Sd/-	**Sd/-**
	(RAMESH KUMAR)	**(GEETA ARORA)**
Place: Amritsar	**Managing Director**	**Chairperson CSR Committee**
Date: 08th August, 2026	**DIN: 00462656**	**DIN: 03155615**

ANNEXURE 'E'

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company believes that Corporate Governance is a pre-requisite for attaining sustainable growth in the competitive world.

KWALITY's philosophy on Corporate Governance is based on practices, such as fair and transparent business practices, effective management controls at all levels, adequate representation of promoters, executive and independent directors on the board, accountability of performance at all levels, monitoring of executive performance by the Board and transparent and timely disclosure of financial and management information.

A report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of Listing Regulations is given below:

BOARD OF DIRECTORS

As on **March 31, 2026**, the Board of Directors of the Company comprised ten (10) Directors, including Executive Directors, Non-Executive Directors, Independent Directors and Women Directors. There was no Institutional Nominee Director on the Board of the Company.

A) Composition of board of directors

Presently, the composition of Board is as follows:

Directors	Category
Mr. Ramesh Kumar	Managing Director
Mr. Ajay Kumar Arora	Whole Time Director
Mr. Aditya Arora	Whole Time Director & Chief Financial Officer
Mrs. Geeta Arora	Whole Time Director
Mrs. Anju Arora	Whole Time Director
Mr. Vinod Kumar Sharma	Non-Executive Independent Director
Mr. Preetmohinder Singh Bedi	Non-Executive Independent Director
Mr. Bhavesh Mahajan	Non-Executive Independent Director
Mr. Prashanth Vellanki	Non-Executive Independent Director
Mr. Kartik Kapur *	Non-Executive Independent Director
Mr. Swanith Kapoor**	Non-Executive Independent Director

***Mr. Kartik Kapur, Independent Director,** ceased to be a Director of the Company with effect from June 02, 2026, pursuant to his resignation.

Mr. Swanith Kapoor was appointed as an Additional Director (Non-Executive and Independent) of the Company by the Board of Directors with effect from June 02, 2026, subject to the approval of the Members at the ensuing Annual General Meeting of the Company.

B) Evaluation of Board, Committees and Directors:

In compliance with the provisions of the Companies Act, 2013 ('the Act') and other applicable provisions, the Board has adopted a formal mechanism for evaluation of its performance as well as that of its Committees and individual Directors. A structured mechanism has been prepared after taking into consideration the inputs received from the Directors, covering various aspects of the Board's functioning, such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors, including the Managing Director, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interests of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

C) Number of Board Meetings in the year

During the year 12 meetings of the Board of Directors were held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

Sr. No.	Dates on which Board Meetings were held
1.	19-05-2025
2.	30-06-2025
3.	26-07-2025
4.	11-08-2025
5.	16-08-2025
6.	26-09-2025
7.	13-11-2025
8.	01-01-2026
9.	28-01-2026
10.	12-02-2026
11.	21-02-2026
12.	31-03-2026

D) Details of Memberships and Attendance of each Director at the Board of Directors' Meetings held during the financial year under review and the last Annual General Meeting and the number of other Directorships and Chairmanship/Membership of Board Committees as on 31st March, 2026 are as follows:

Sr No.	Name of Director and DIN Number	Category of Director	No. of Board Meetings Attended during 2025-26	Attendance at the last AGM	No. of other Directorship in other companies as on 31-03-2026	Committee position held in Kwality Pharmaceuticals Limited	Committee position of other Companies
1.	Mr. Ramesh Kumar (DIN: 00462656)	Managing Director	12	Yes	3	None	Nil
2.	Mr. Ajay Kumar Arora (DIN: 00462664)	Whole Time Director	12	Yes	1	None	Nil
3.	Mr. Aditya Arora (DIN: 07320410)	Whole Time Director & CFO	12	Yes	Nil	Member in two Committees	Nil
4.	Mrs. Geeta Arora (DIN: 03155615)	Whole Time Director	12	Yes	Nil	Member in one Committee and Chairperson in one Committee	Nil
5.	Mrs. Anju Arora (DIN: 03155641)	Whole Time Director	12	Yes	Nil	Member in one Committee	Nil
6.	Mr. Kiran Kumar Verma (DIN: 07415375)	Non Executive Independent Director	2	No	Nil	Member in one Committee and Chairman in one Committee (Resigned w.e.f. July 26, 2025)	Nil
7.	Mr. Pankaj Takkar (DIN: 07414345)	Non Executive Independent Director	7	Yes	Nil	Member in two Committees and Chairman in one Committee (Ceased to be director w.e.f. January 31, 2026)	Nil
8.	Mr. Ravi Shanker Singh (DIN: 02303588)	Non Executive Independent Director	1	Yes	2	Member in one Committee and Chairman in one Committee (Ceased to be director w.e.f. January 31, 2026)	Nil
9.	Mr. Kartik Kapur (DIN: 08966816)	Non Executive Independent Director	1	No	Nil	None	Nil
10.	Mr. Prashanth Vellanki (DIN: 05182633)	Non Executive Independent Director	1	No	8	None	Nil
11.	Mr. Vinod Kumar Sharma (DIN: 08502519)	Non-Executive Independent Director	6	Yes	1	Member in one Committee and Chairman in one Committee	Nil
12.	Mr. Bhavesh Mahajan (DIN: 09614108)	Non Executive	2	Not Applicable	1	Member in two Committees and	Nil

		Independent Director				Chairman in one Committee	
13.	Mr. Preetmohinder Singh Bedi (DIN: 11452004)	Non Executive Independent Director	4	Not Applicable	Nil	Member in one Committee and Chairman in one Committee	Nil

No Directors hold directorships in other listed entities, hence the names of the listed entities alongwith category of directorship are not provided.

Mr. Ramesh Kumar and Mr. Ajay Kumar Arora are brothers. **Mrs. Anju Arora** is wife of **Mr. Ramesh Kumar** and **Mrs. Geeta Arora** is wife of **Mr. Ajay Kumar Arora**. **Mr. Aditya Arora** is son of **Mr. Ajay Kumar Arora**. So all these directors are related to each other.

Mr. Kiran Kumar Verma resigned from the office of Independent Director with effect from **July 26, 2025**, due to his other professional commitments.

Mr. Preetmohinder Singh Bedi was appointed as an Independent Director of the Company with effect from **January 01, 2026**.

Mr. Bhavesh Mahajan was appointed as an Independent Director of the Company with effect from **January 28, 2026.**

Mr. Pankaj Takkar and Mr. Ravi Shanker Singh, Independent Directors of the Company, ceased to hold office with effect from **January 31, 2026,** upon completion of their second consecutive term as Independent Directors.

Matrix of expertise and skill of Directors

The Board of Directors has identified the following skills/expertise/competencies with reference to its business and industry that are fundamental for the effective functioning of the Company:

1. Strategic thinking and Planning
2. Entrepreneurial and Leadership skills
3. Business Development
4. Accounting, Legal and Financial Management
5. Global Exposure
6. Pharma Industry Experience
7. Board Services and Governance
8. Regulatory Compliance

The directors so appointed are from diverse backgrounds and possess special skills with regard to the industries / fields from where they come :-

Name of the Director	Strategic thinking and Planning	Entrepreneurial and Leadership skills	Business Development	Accounting, Legal and Financial Management	Global Exposure	Pharma Industry Experience	Board Services and Governance	Regulatory Compliance
Ramesh Kumar	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ajay Kumar Arora	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Aditya Arora	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Geeta Arora	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes

Anju Arora	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Vinod Kumar Sharma	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Bhavesh Mahajan	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Preetmohinder Singh Bedi	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Kartik Kapur	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Prashanth Vellanki	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Swanith Kapoor	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes

E) Confirmation of Independence

In the opinion of the Board, all Independent Directors fulfill the conditions of independence specified in the Listing Regulations and they are independent of the Management of the Company. The Declaration of Independence has been received from all Independent Directors and taken on record by the Board.

F) Shares held by Non-Executive Directors as at 31st March 2026:

Name of the Director	Shares held
Mr. Vinod Kumar Sharma	Nil
Mr. Bhavesh Mahajan	Nil
Mr. Preetmohinder Singh Bedi	Nil
Mr. Kartik Kapur	Nil
Mr. Prashanth Vellanki	Nil

G) Induction & Familiarization Programs for Independent Directors:
On appointment, the concerned Director is issued a letter of Appointment setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a familiarization program. The program aims to familiarize the Directors with the Company, their role and responsibilities, business model of the Company etc. Further the Company has put into place a system to familiarise the Independent Director about the Company, its business and the on-going events relating to the Company. The details of such program are available on the web link https://www.kwalitypharma.com/assets/Disclosure%20under%20Regulation%2046/Familiarization%20Programmes%20imparted%20to%20Independent%20Directors.pdf

H) Independent Directors Meeting:

In Compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015; the Independent Directors Meeting of the Company was held on March 31, 2026 without the presence of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, performance of managing director of the Company and assessed the quality, quantity and timelines of flow of information between the Company Management and the Board. All the Independent Directors of the Company were present in the meeting.

I.) Disclosure of Accounting Treatment:

In the preparation of the Financial Statements, the Company has followed the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules made thereunder. The significant accounting policies, which have been consistently applied, are disclosed in the Notes to the Financial Statements.

J.) Detailed reasons for the resignation of Independent Directors:

During the financial year 2025-26, **Mr. Kiran Kumar Verma resigned** from the office of Independent Director with effect from **July 26, 2025,** due to his other professional commitments. He also confirmed that there were no other material reasons for his resignation other than those stated above.

Further, **Mr. Pankaj Takkar and Mr. Ravi Shanker Singh**, Independent Directors of the Company, ceased to hold office with effect from **January 31, 2026,** upon completion of their second consecutive term as Independent Directors.

Subsequent to the close of the financial year 2025-26, **Mr. Kartik Kapur** resigned from the office of Independent Director with effect from **June 02, 2026**, due to his other professional commitments. He also confirmed that there were no other material reasons for his resignation other than those stated above.

K.) Senior Management

The details of Senior Management Personnel of the Company during the financial year 2025-26 are as follows:-

S.No.	Name of Senior Management	Designation
1.	Mr. Sudhansu Sekhar Rautaray	Plant Head, Amritsar Unit
2.	Mr. Sunil Kumar Singh*	Plant Head, HP Unit
3.	Mr. Sandeep Raghuvir Naik *	Plant Head, HP Unit
4.	Mr. Narinder Jassal	QC, Head, HP Unit
5.	Mr. Harshvardhan Gupta	Manager, QA
6.	Mr. Akhilesh Kumar Bind	QC Head
7.	Mr. Mukesh Ojha	R&D Head
8.	Ms. Gurpreet Kaur	Company Secretary & Compliance Officer

***Mr. Sunil Kumar Singh** resigned as **Plant Head – HP Unit** with effect from **March 14, 2026** and **Mr. Sandeep Raghuvir Naik** was appointed as **Plant Head – HP Unit** with effect from **April 02, 2026**, and forms part of the Senior Management of the Company.

COMMITTEES OF THE BOARD

There are four Committees constituted as per Companies Act, 2013. They are:

1) **Audit Committee**
2) **Nomination & Remuneration Committee**
3) **Stakeholders Relationship Committee**
4) **Corporate Social Responsibility Committee**

The Board of directors of the company has constituted various committees of the members of the board. The terms of reference of these committees have determined by the board from time to time.

1. AUDIT COMMITTEE

The composition, procedure, role/ function of the committee complies with the requirements of the Companies Act, 2013 as well as SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

*** Committee Constitution and Reconstitution**

Audit Committee was constituted on 14th March 2016.

*** Number of Meetings held**

During the year, 5 Audit Committee meetings were held on the following dates: - 19-05-2025, 11-08-2025, 16-08-2025, 13-11-2025 and 12-02-2026.

*** Composition & Attendance of Audit Committee**

Sr. No.	Name	Designation	Position in committee	No. of Meetings Attended
1.	Mr. Bhavesh Mahajan (Appointed as **Audit Committee Chairman w.e.f. February 1, 2026)**	Non-Executive Independent Director	Chairman	1
2.	Mr. Vinod Kumar Sharma (Appointed as **Audit Committee Member w.e.f. July 26, 2025)**	Non-Executive Independent Director	Member	4
3.	Mr. Aditya Arora	Executive Non Independent Director	Member	5
4.	Mr. Pankaj Takkar **(Ceased to be Chairperson of the Audit Committee w.e.f. January 31, 2026)**	Non-Executive Independent Director	Chairman	4
5.	Mr. Kiran Kumar Verma **(Resigned as Audit Committee Member w.e.f. July 26, 2025)**	Non-Executive Independent Director	Member	1

The Company Secretary acts as the Secretary of the Committee.

Mr. Kiran Kumar Verma resigned as an Independent Director of the Company with effect from **July 26, 2025**, and consequently ceased to be a Member of the Audit Committee. Pursuant to the appointment of **Mr. Vinod Kumar Sharma** as an **Independent Director** of the Company on **July 26, 2025**, he was appointed as a Member of the Audit Committee with effect from the same date.

Consequent to the cessation of **Mr. Pankaj Takkar** as the **Chairman of the Audit Committee upon completion of his second consecutive term as an Independent Director** of the Company with effect from **January 31, 2026**, **Mr. Bhavesh Mahajan**, who was appointed as an Independent Director of the Company with effect from **January 28, 2026**, was appointed as the Chairman of the Audit Committee with effect from **February 1, 2026**.

Reconstitution of the Audit Committee:

Pursuant to the changes in the composition of the Board of Directors, the Audit Committee was reconstituted on **July 26, 2025** and **February 1, 2026**.

The composition of the Committee as on **March 31, 2026** was as follows:

Sr. No.	Name	Designation	Position in Committee
1	Mr. Bhavesh Mahajan	Non-Executive Independent Director	Chairman
2	Mr. Vinod Kumar Sharma	Non-Executive Independent Director	Member
3	Mr. Aditya Arora	Executive Non Independent Director	Member

The terms of reference of the Audit Committee are given below:

1. Oversight of the company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Providing recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the company and the fixation of audit fee;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
    i. Matters required to be included in the 'Director's Responsibility Statement' to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013, as amended
    ii. Changes, if any, in accounting policies and practices and reasons for the same;
    iii. Major accounting entries involving estimates based on the exercise of judgment by management;
    iv. Significant adjustments made in the financial statements arising out of audit findings;
    v. Compliance with listing and other legal requirements relating to financial statements;
    vi. Disclosure of any related party transactions; and
    vii. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly and half-yearly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the

monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Review and monitor the statutory auditor's independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification of transaction of the Company with related parties;
9. Scrutiny of inter corporate loans and investments;
10. Valuation of undertakings or assets of the Company wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Review the functioning of the whistle blower mechanism;
19. Approval of appointment of the chief financial officer (i.e., the whole time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference;

All the recommendations of the Audit Committee during the year were accepted by the Board of Directors.

2. NOMINATION AND REMUNERATION COMMITTEE

Our Company has constituted a Nomination & Remuneration committee **("Nomination & Remuneration Committee")** pursuant to the provisions of section 178 of the Companies Act, 2013. The Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 14th March, 2016.

Number of Meetings held

During the year, 4 Nomination and Remuneration Committee meetings were held on the following dates: 19-07-2025, 16-08-2025, 26-12-2025 and 20-01-2026

*** Composition & Attendance of Nomination and Remuneration Committee**

Sr. No.	Name	Designation	Position in committee	No. of Meetings Attended

1.	Mr. Vinod Kumar Sharma (**Appointed as Nomination and Remuneration Committee Chairman w.e.f. July 26, 2025)**	Non-Executive Independent Director	Chairman	3
2.	Mr. Preetmohinder Singh Bedi (**Appointed as Nomination and Remuneration Committee member w.e.f. February 1, 2026)**	Non-Executive Independent Director	Member	N.A.
3.	Mr. Bhavesh Mahajan (**Appointed as Nomination and Remuneration Committee member w.e.f. February 1, 2026)**	Non-Executive Independent Director	Member	N.A.
4.	Mr. Kiran Kumar Verma **(Resigned as Nomination and Remuneration Committee Chairman w.e.f. July 26, 2025)**	Non-Executive Independent Director	Chairman	1
5.	Mr. Pankaj Takkar **(Ceased to be Nomination and Remuneration Committee Member w.e.f. January 31, 2026)**	Non-Executive Independent Director	Member	4
6.	Mr. Ravi Shanker Singh **(Ceased to be Nomination and Remuneration Committee Member w.e.f. January 31, 2026)**	Non-Executive Independent Director	Member	4

The Company Secretary acts as the Secretary to Nomination & Remuneration Committee

Mr. Kiran Kumar Verma resigned as an Independent Director of the Company with effect from **July 26, 2025**, and consequently ceased to be Chairman and Member of the **Nomination and Remuneration Committee**. Pursuant to the appointment of **Mr. Vinod Kumar Sharma** as an **Independent Director** of the Company on **July 26, 2025**, he was appointed as Chairman and Member of the **Nomination and Remuneration Committee** with effect from the same date.

Further, consequent to the **cessation of Mr. Pankaj Takkar and Mr. Ravi Shanker Singh** as Independent Directors of the Company upon completion of their **second consecutive terms with effect from January 31, 2026, Mr. Preetmohinder Singh Bedi and Mr. Bhavesh Mahajan**, who had been appointed as Independent Directors of the Company with effect from **January 1, 2026 and January 28, 2026, respectively**, were appointed as **Members of the Nomination and Remuneration Committee with effect from February 1, 2026.**

Reconstitution of the Nomination and Remuneration Committee:
Pursuant to the changes in the composition of the Board of Directors, the Nomination & Remuneration Committee was reconstituted on **July 26, 2025** and **February 1, 2026**.

The composition of the Committee as on **March 31, 2026** was as follows:

Sr. No.	Name	Designation	Position in committee
1.	Mr. Vinod Kumar Sharma	Non-Executive Independent Director	Chairman
2.	Mr. Preetmohinder singh Bedi	Non-Executive Independent Director	Member
3.	Mr. Bhavesh Mahajan	Non-Executive Independent Director	Member

The terms of reference of Nomination & Remuneration committee shall comply with the requirements of Regulation 19(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Role & Responsibilities of Nomination & Remuneration committee are:

(a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
(b) Formulation of criteria for evaluation of independent directors and the Board;
(c) Devising a policy on Board diversity;
(d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. Our Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report;
(e) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

The Committee shall have powers to act in accordance with the provisions of the Articles of Association of the Company read with section 178 to the Companies Act, 2013.

Decision & Voting powers:

All the decisions of the committee shall be taken by vote of majority. Members of the committee shall be entitled to vote. In case of equality, the Chairman shall have one additional casting vote.

Tenure of the committee:

The Committee shall continue to be in function as a Committee of the Board until otherwise resolved by the Board.

Meetings:

The Committee shall meet on the reference made by the Board to the Committee.
The Committee on any matter relating to the reference made to it shall submit a report along with the resolution passed by it to the Board from time to time.

The Chairman of the Committee shall attend the annual general meeting of the Company to provide any clarification on matter relating to the remuneration payable to the directors of the Company.

Performance evaluation criteria for Independent Directors:
Each Independent Director's performance was evaluated by Schedule IV of the Companies Act, 2013 having regard to the following criteria of evaluation viz. (i) preparedness (ii) participation (iii) value addition (iv) focus on governance and (v) communication.
The Non-Executive Directors of the Company comprises of Independent Directors and are paid sitting fees for the time devoted to the Company. Apart from the sitting fees, there is no other material pecuniary relationship or transactions by the Company with the Directors. The performance criteria for payment of remuneration are stated in the Remuneration Policy.

Remuneration Policy and Remuneration of Directors

The remuneration policy of the Directors is aligned towards rewarding participation in meetings and is in consonance with industry benchmarks and provisions of the law. The objective of the policy is to attract and retain excellent talent while delivering optimal value to the business. The Nomination and Remuneration Policy provides for appropriate composition of Executive and Non-Executive Independent Directors on the Board of Directors of your Company along with criteria for appointment, remuneration including determination of qualifications, positive attributes, independence of Directors and other matters as provided under sub-section (3) of Section 178 of the Companies Act, 2013. The remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of your Company. The Non-Executive Directors of the Company are being paid sitting fees for attending Board Meetings and Committee Meetings. Executives Directors are not being paid sitting fees for attending meetings of the Board of Directors/Committees. Other than sitting fees, there were no material pecuniary relationships or transactions by the Company with the Non-Executive and Independent Directors of the Company.

The Company pays remuneration to its Executive Directors by way of salary, in accordance with provision of the Schedule V read with other provisions of the Companies Act, 2013, as approved by the Members. The Board on the recommendation of the Nomination and Remuneration Committee approves the annual increments. The detailed policy is available at website of company i.e. https://www.kwalitypharma.com/assets/CORPORATE%20POLICIES_/Nomination%20_%20Remuneration%20Policy.pdf

Remunerations paid during the Financial Year 2025-26 to Executive Directors are:

Name of Director	Designation	Yearly Remuneration (Rs.)
RAMESH KUMAR	Managing Director	84,00,000
AJAY KUMAR ARORA	Whole Time Director	84,00,000
GEETA ARORA	Whole Time Director	36,00,000
ANJU ARORA	Whole Time Director	36,00,000
ADITYA ARORA	Whole Time Director & Chief Financial Officer	54,00,000

Remunerations paid during the Financial Year 2025-26 to Non-Executive Directors are:

Name of Director	Designation	Sitting Fees for Board & Committees Meeting (Rs.)
KIRAN KUMAR VERMA	Non-Executive Independent Director	1,05,000
PANKAJ TAKKAR	Non-Executive Independent Director	1,65,000
RAVI SHANKER SINGH	Non-Executive Independent Director	30,000
KARTIK KAPUR	Non-Executive Independent Director	10,000
PRASHANTH VELLANKI	Non-Executive Independent Director	10,000
PREETMOHINDER SINGH BEDI	Non-Executive Independent Director	1,00,000
BHAVESH MAHAJAN	Non-Executive Independent Director	30,000
VINOD KUMAR SHARMA	Non-Executive Independent Director	3,00,000

Apart from the above remuneration, there is no other material pecuniary relationship or transactions by the Company with the Directors.

3. STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition, procedure, role/ function of the committee complies with the requirements of the Companies Act, 2013 as well as SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. This committee was constituted to resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non receipt of dividend, bonus, etc.

*** Committee Constitution**

Stakeholders Relationship Committee was constituted on 14th March 2016.

*** Number of Meetings held**

During the year 2 Stakeholder's Relationship Committee meetings were held on 24-10-2025 and 30-03-2026.

*** Composition & Attendance of Stakeholders Relationship Committee**

Sr. No.	Name	Designation	Position in committee	No. of Meetings Attended
1.	Preetmohinder Singh Bedi (**Appointed as Stakeholder's Relationship Committee Chairman w.e.f. February 1, 2026)**	Non-Executive Independent Director	Chairman	1

2.	Geeta Arora	Executive Non Independent Director	Member	2
3.	Anju Arora	Executive Non Independent Director	Member	2
4.	Ravi Shanker Singh **(Ceased to be Stakeholder's Relationship Committee Chairman w.e.f. January 31, 2026)**	Non-Executive Independent Director	Chairman	1

The Company Secretary acts as the Secretary of the Committee. Ms. Gurpreet Kaur is company secretary & compliance officer of the company.

*Consequent to the cessation of **Mr. Ravi Shanker Singh** as the **Chairman and Member** of the Stakeholders' Relationship Committee upon completion of his second consecutive term as an Independent Director of the Company with effect from **January 31, 2026**, **Mr. Preet Mohinder Singh Bedi**, who was appointed as an Independent Director of the Company with effect from **January 1, 2026**, was appointed as the Chairman and Member of the Stakeholders Relationship Committee with effect from **February 1, 2026**.

Reconstitution of the Stakeholders Relationship Committee:
Pursuant to the changes in the composition of the Board of Directors, the Stakeholders Relationship Committee was reconstituted with effect from **February 1, 2026**.

The composition of the Committee as on **March 31, 2026** was as follows:

Sr. No.	Name	Designation	Position in committee
1	Preetmohinder Singh Bedi	Non-Executive Independent Director	Chairman
2	Geeta Arora	Executive Non Independent Director	Member
3	Anju Arora	Executive Non Independent Director	Member

*** The Role of Stakeholder Relationship Committee is as under**

1. Considering and resolving the grievances of security holders of the Company, including complaints related to transfer of shares, non-receipt of Annual Reports, non-receipt of declared dividends or any other documents or information to be sent by the Company to its shareholders etc.
2. Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the cages in the reverse for recording transfers have been fully utilized.
3. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc. and
4. Review the process and mechanism of redressal of shareholders/Investors grievance and suggest measures of improving the system of redressal of shareholders/Investors grievances.

5. Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with company or any officer of the company arising out in discharge of his duties.
6. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
7. Oversee the implementation and compliance of the code of conduct adopted by the company for prevention of Insider Trading for Listed Companies as specified in the SEBI (Prohibition of Insider Trading Regulations), 2015 as amended from time to time.
8. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted meeting.
9. Carrying out any other function contained in the Listing Regulations as and when amended from time to time.

The Stakeholder Relationship Committee shall act in accordance with the Regulation 20(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

*** Complaints**
In the year 2025-26, no investor complaints have been received by the Company.

4. <u>CORPORATE SOCIAL RESPONSIBILITY COMMITTEE</u>
Pursuant to the provisions of Section 135 of the Act, the Board of Directors has duly constituted the Corporate Social Responsibility ("CSR") Committee.

***Brief description of terms of reference:**
· To frame the CSR Policy and CSR Annual Action Plan and its review from time-to-time;
· To ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget; and
· To ensure compliance with the laws, rules and regulations governing the CSR and to periodically report to the Board of Directors;

*** Committee Constitution**

The Corporate Social Responsibility Committee was constituted in terms of the requirement of Companies Act, 2013 vide resolution passed at the meeting of board of directors held on 03-04-2017.

*** Number of Meetings held**

During the financial year 2025-26, one meeting of the Committee was held on March 30, 2026.

The composition of Committee and attendance of members is as follows:

Sr. No.	Name	Designation	Position in committee	No. of Meeting Attended
1.	Geeta Arora	Executive Non Independent Director	Chairperson	1

2.	Aditya Arora	Executive Non Independent Director	Member	1
3.	Bhavesh Mahajan (**Appointed as CSR Committee member w.e.f. February 1, 2026)**	Non-Executive Independent Director	Member	1
4.	Pankaj Takkar **(Ceased to be CSR Committee member w.e.f. January 31, 2026)**	Non-Executive Independent Director	Member	N.A.

*Consequent to the cessation of **Mr. Pankaj Takkar** as a Member of the Corporate Social Responsibility Committee upon completion of his second consecutive term as an Independent Director of the Company with effect from **January 31, 2026**, **Mr. Bhavesh Mahajan**, who was appointed as an Independent Director of the Company with effect from **January 28, 2026**, was appointed as a Member of the Corporate Social Responsibility Committee with effect from **February 1, 2026**.

Reconstitution of the CSR Committee:
Pursuant to the changes in the composition of the Board of Directors, the Corporate Social Responsibility Committee was reconstituted with effect from **February 1, 2026**.

The composition of the Committee as on **March 31, 2026** was as follows:

Sr. No.	Name	Designation	Position in committee
1	Geeta Arora	Executive Non Independent Director	Chairperson
2	Aditya Arora	Executive Non Independent Director	Member
3	Bhavesh Mahajan	Non-Executive Independent Director	Member

MEANS OF COMMUNICATION

The unaudited quarterly/half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the date of the closure of the financial year as per the requirement of the Listing Regulations with the Stock Exchange.

The Company generally publishes the extracts of results in Financial Express (English) and Punjabi Jagran (Punjabi) newspapers.

Financials, Shareholding Pattern, Notices and other information are regularly updated on the website of the Company i.e. www.kwalitypharma.com and on the website of BSE Limited.

In compliance with Regulation 46 of Listing Regulations, a separate dedicated section under the caption "Investors Relations" on the Company's website www.kwalitypharma.com provides information on various announcements made by the Company, status of unclaimed dividend, Annual Report, Quarterly/Half yearly/Nine-months and Annual financial results along with the applicable policies of the Company. The Company's official news releases are also available on the said website.

The quarterly results, shareholding pattern, quarterly compliances and all other corporate communications to the Stock Exchange viz. BSE Limited are filed electronically. The Company had complied with filing submissions through BSE's BSE Listing Centre.

Any presentation made to the institutional investors and analysts are also posted on the Company's website.

NO DISQUALIFICATION CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

Certificate from M/s Rishi Mittal & Associates, Company Secretaries, Amritsar confirming 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 Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority, as stipulated under Regulation 34 of the Listing Regulations, is attached to this Report.

MD AND CFO CERTIFICATION

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations, copy of which is attached to this Report.

i) GENERAL BODY MEETINGS:

Location, date and time of Annual General Meetings held in the last three financial years:-

Financial Year	Date & Time	Venue	Special Resolution (s)
2022-23	**September 30, 2023 at 12:00 Noon**	**Held through Video-Conferencing**	**Nil**
2023-24	**September 24, 2024 at 12:00 Noon**	**Held through Video-Conferencing**	**1.** Continuation of Mr. Ramesh Arora as Managing Director of the company on attaining the age of Seventy Years. **2.** Revision in Remuneration of Mr. Ramesh Arora (DIN: 00462656), Managing Director of the Company. **3**. Revision in Remuneration of Mr. Ajay Kumar Arora (DIN: 00462664), Whole Time Director of the Company**.** **4.** Revision in Remuneration of Mrs. Anju Arora (DIN: 03155641), Whole Time Director of the Company**.** **5.** Revision in Remuneration of Mrs. Geeta Arora (DIN: 03155615), Whole Time Director of the Company.

			6. Revision in Remuneration of Mr. Aditya Arora (DIN: 07320410), Whole Time Director of the Company.
2024-25	**September 09, 2025 at 12:00 Noon**	**Held through Video-Conferencing**	**1.** Appointment of Mr. Vinod Kumar Sharma (DIN: 08502519) as an Independent Director **2.** Re-appointment of Mr. Ramesh Arora (DIN: 00462656), as Managing Director of the Company and approval of payment of Remuneration. **3.** Re-appointment of Mr. Ajay Kumar Arora (DIN: 00462664), as Whole Time Director of the Company and approval of payment of Remuneration. **4.** Re-appointment of Mrs. Anju Arora (DIN: 03155641), as Whole Time Director of the Company and approval of payment of Remuneration. **5.** Re-appointment of Mrs. Geeta Arora (DIN: 03155615), as Whole Time Director of the Company and approval of payment of Remuneration. **6.** Re-appointment of Mr. Kartik Kapur (DIN: 08966816) as an Independent Director of the Company.

(ii) Resolutions passed through Postal Ballot:

During the financial year**, two (2) Special Resolutions** were passed by the shareholders by the requisite majority by way of postal ballot through e-voting.

Sr. No.	Particulars of Resolutions passed through Postal Ballot on March 28, 2026	Votes in favour of Resolution	Votes Against Resolution
1.	Approval for appointment of Mr. Preetmohinder Singh Bedi (DIN: 11452004) as an Independent Director	3318924	12
2.	Approval for appointment of Mr. Bhavesh Mahajan (DIN: 09614108) as an Independent Director	3318924	12

Procedure for Postal Ballot :

The postal ballot was conducted in accordance with the provisions of Section 110 and other applicable provisions, if any of the Companies Act, 2013 read together with Rules 20 and 22 of the Companies (Management & Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), read with the General Circular No. 14/2020 dated 8th April, 2020, General Circular No.17/2020 dated 13th April, 2020, along with subsequent circulars issued in this regard and the latest dated September 22, 2025 (collectively referred to as **'MCA Circulars'**) and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("SEBI LODR")** and other applicable provisions, if any, of the SEBI LODR, for the time being in force

and as amended from time to time and the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India **("SS-2").**
In accordance with the aforesaid provisions and the MCA Circulars, the Postal Ballot Notice was sent only through electronic mode, to all the Members whose names appeared in the Register of Members/List of Beneficial Owners as on the close of business hours on cut-off date i.e. February 23 2026 and whose e-mail IDs were registered with the Company / Depositories. Physical copies of the Postal Ballot Notice along with Postal Ballot Forms were not sent to the Members for this Postal Ballot, so the Members had cast their votes through remote e-voting system only, in accordance with the above referred Circulars.

Mr. Rishi Mittal, Practicing Company Secretary, was appointed as the Scrutinizer for conducting and scrutinizing the Postal Ballot process in a fair and transparent manner. After completion of the scrutiny of the votes, the scrutinizer submitted his report and the results of the voting by postal ballot were announced on **March 30, 2026**. The voting results were communicated to BSE Limited and, along with the Scrutinizer's Report, were also placed on the Company's website, i.e., www.kwalitypharma.com. The resolution was deemed to have been passed on **March 28, 2026**, being the last date specified for receipt of votes through remote e-voting.

(iii) No special resolution is proposed to be conducted through Postal Ballot as on the date of this report.

DISCLOSURES

1. None of the transactions with any of related parties were in conflict with the Company's interest. All related party transactions are negotiated on arm's length basis and are intended to further the Company's interests. Transactions with related parties are disclosed in Notes to the accounts in the Financial Statements for the financial year. The Company has formulated a policy on dealing with related party transactions and the same is available on the website of the Company https://www.kwalitypharma.com/assets/CORPORATE%20POLICIES_/Policy-on-Related-Party-Transactions_kpl.pdf

2. Details of non-compliance by the listed entity, penalties, and strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

   There have been instances of receiving notice(s) with regard to non-compliances by the Company and imposing of penalties/strictures on the company by stock exchange during the last three years, the details of which are mentioned herein below:

Sr. No.	Details of Non Compliances	Details of action taken	Financial Year

1.	As per Regulation 34 of SEBI (LODR) Regulations, 2015, the company had to submit to the stock exchange and publish on its website the copy of the annual report sent to the shareholders along with the notice of the annual general meeting not later than the day of commencement of dispatch to its shareholders. But there was delay of 2 days in submission of annual report with BSE.	Penalty of Rs.4720 was imposed on company by stock exchange which was duly paid by the company to BSE.	2023-24
2.	As per Regulation 24A(2) of SEBI (LODR) Regulations, 2015, every listed entity shall submit a secretarial compliance report in such form as specified, to stock exchanges, within sixty days from end of each financial year but the company had made delay of 1 day in submission of XBRL format of report for year ended 31-03-2024 with BSE.	Penalty of Rs.2360 was imposed by stock exchange on company which was duly paid by the company to BSE.	2024-25

Except above, no other instances of non-compliances by the Company and no penalties and / or strictures have been imposed by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

3. The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and in conformity, in all material respects, with the generally accepted accounting principles and standards in India (Indian Accounting Standards referred to as "Ind AS") as specified under the section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standard) Rules, 2015 and relevant amendment rules issued thereafter. The estimates/judgments made in preparation of these financial statements are consistent, reasonable and on prudent basis so as to reflect true and fair view of the state of affairs and results/operations of the Company.

4. Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulation, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimisation of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The policy is displayed on the website of the company viz. https://www.kwalitypharma.com/assets/CORPORATE%20POLICIES_/Whistle-Blower-Policy.pdf

5. The Company has adopted a Code of Conduct for Prevention of Insider Trading in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, to regulate, monitor and report trading by the

Designated Persons and other Connected Persons. The structured digital database of unpublished price sensitive information is maintained with adequate internal controls. All the directors, designated persons and third parties such as auditors, consultants, etc. who may have access to the unpublished price sensitive information of the Company are governed by this Code. The trading window was closed during the period of declaration of financial results and upon the occurrence of material events, as applicable, in accordance with the relevant provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

6. The Company has complied with the mandatory requirements of the Corporate Governance of the Listing Regulations and also followed non mandatory requirements relating to financial statements with unmodified audit opinion/without qualification.

7. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof: **Not Applicable**

8. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

The details of total fees for all services paid by the Company and its wholly owned subsidiary, on a consolidated basis, to the Statutory Auditor for the FY 2025-26 are given below: Neither Company nor its wholly owned subsidiary company has paid fees to network firm / network entity of the statutory auditor:-

Type of Services	**Fees (in Rs.)**
Fees for Audit	8,00,000
Other professional fees	5,42,000

9. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
i. Number of complaints filed during the financial year 2025-26: Nil
ii. Number of complaints disposed of during the financial year 2025-26: N.A.
iii. Number of complaints pending as at end of the financial year 2025-26: N.A.

10. The Company is subject to commodity price risks due to fluctuation in prices of raw material and packing material. Also, Company's payables and receivables are partly in foreign currencies and due to fluctuations in foreign exchange rates, it is subject to Currency risks. The risks are tracked and monitored on a regular basis and mitigation strategies are adopted in line with the risk management framework.

11. The Company and its subsidiary have not given Loans and advances in the nature of loans to the firms/ companies in which directors are interested.

12. The Board of Directors has laid down a Code of Conduct for the Board of Directors (including independent directors) and senior management ("the Code") of the Company. The Code covers Company's commitment to honest and ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, health and safety, transparency and compliance of laws and regulations etc. All the Board members and senior management personnel have confirmed compliance with the Code. A declaration by Mr. Ramesh Kumar, Managing Director of the Company affirming the

compliance of the same during the financial year 2025-26 by the members of the Board and Senior Management Personnel, as applicable to them, forms part of this Report.

13. During the year under review, the Company has not entered into any agreement as specified in clause 5A of para A of part A of schedule III of SEBI LODR Regulations, 2015.

14. Details of utilization of funds raised through preferential allotment or qualified institutions placements as specified under Regulation 32 (7A) :- During the year under review, the Company did not raise any funds through preferential allotment or qualified institutions placements.

Material Subsidiary Company

During the year under review, the Company does not have any material subsidiary company however the Company has in place a Policy for determining Material Subsidiaries.

Subsidiary Companies

The Company monitors performance of its subsidiary company, inter-alia, by the following means:
i. The Audit Committee reviews financial statements of the subsidiary company, along with investments made.
ii. The Board of Directors reviews all the significant transactions and arrangements, if any, of subsidiary company.
The Company has formulated a policy regarding determination of 'Material' Subsidiaries and the same is available on the website of the Company www.kwalitypharma.com The weblink for the same is: https://www.kwalitypharma.com/assets/CORPORATE%20POLICIES_/MATERIAL%20SUBSIDIARY%20POLICIES.pdf

GENERAL SHAREHOLDER INFORMATION:

ANNUAL GENERAL MEETING

Date and Time: Monday, 31st August, 2026 at 12:00 noon

Venue: The Company is conducting the AGM through Video Conferencing (VC)/ other Audio Visual Means (OAVM) in compliance with the applicable provisions of the Companies Act, 2013 read with Circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India ('SEBI').

FINANCIAL CALENDAR

The Financial year of the company is for period of 12 months from 1st April to 31st March. Tentative Financial calendar for the year F.Y. 2025-26 is:-

Un-audited results for the quarter ended June 30, 2026	On or before 14th August, 2026
Un-audited results for the Quarter / half year ending September 30, 2026	On or before 14th November, 2026

Un-audited results for the quarter/nine months ending December 31, 2026	On or before 14th February, 2027
Audited results for the year ending March 31, 2027	On or before 30th May, 2027

DIVIDEND PAYMENT

Your directors have decided to deployed back the profits earned during the year and therefore not recommended any dividend for the current financial year.

BOOK CLOSURE

25.08.2026 to 31.08.2026 (both days inclusive)

LISTING ON STOCK EXCHANGE

The Equity Shares of the Company are listed at **BSE Limited ("BSE"),** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001. The Company has paid Annual Listing Fees for the above Stock Exchange for the financial year 2026-27.

Scrip Code and Name: 539997 – KPL

DEMAT NUMBER FOR ISIN: INE552U01010

Corporate Identity Number (CIN):

Corporate Identity Number (CIN) of the company, allotted by the Ministry of Corporate Affairs, Government of India is **L24232PB1983PLC005426**.

RECONCILIATION OF SHARE CAPITAL AUDIT

As stipulated by SEBI, a qualified practicing Company Secretary carries out the Reconciliation of Share Capital to reconcile the total capital held with the National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Audit is carried out every quarter and the report thereon is submitted to the Stock Exchange. The report, inter alia, confirms that the total listed and paid-up share capital of the Company is in agreement with the aggregate of the total dematerialized shares and those in physical mode.

OUTSTANDING GDRS/ADRS/WARRANTS/CONVERTIBLE INSTRUMENTS

The Company has no GDRs/ADRs/Warrants/Convertible Instruments outstanding as on March 31, 2026.

DEMATERIALIZATION OF SHARES AND LIQUIDITY

As on March 31, 2026, 10334802 (i.e. 99.60 %) Equity Shares of the Company were held in dematerialised form & 41396 (i.e. 0.40 %) were held in physical form. The shares of the Company are frequently traded on the BSE and hence the shares of the Company are liquid.

The breakup of the equity shares as on March 31, 2026 is as follows:

SHARE HOLDING PATTERN AS ON 31ST MARCH 2026

Category	No. of Shares held	% of Shareholding
1. Promoters and Promoter Group	5693069	**54.87**
2. Bodies Corporate	126121	**1.22**
3. Clearing Members	118	**0.00**
4. Non-Resident Indians	777438	**7.49**
5. Indian Public	3352108	**32.30**
6. IEPF	100540	**0.97**
7. Alternate Investment Fund	37122	**0.36**
8. Mutual Funds	197	**0.00**
9. Foreign Portfolio Investor	289485	**2.79**
TOTAL	**10376198**	**100**

Distribution Schedule as on 31/03/2026
(on the basis of value of shares held)

Nominal Shares Value (Rs.)	No. of Share holders	% age of total Share holders	No. of Shares held	%age of total shares held
1-5000	10157	94.3258	602463	5.8062
5001-10000	280	2.6003	204204	1.9680
10001-20000	144	1.3373	214255	2.0649
20001-30000	57	0.5293	146988	1.4166
30001-40000	27	0.2507	95915	0.9244
40001-50000	20	0.1857	92335	0.8899
50001-100000	36	0.3343	246791	2.3784
100001 and above	47	0.4365	8773247	84.5517
TOTAL	**10768**	**100.00**	**10376198**	**100.00**

Share Transfer System:
As per SEBI notification effective from April 01, 2019 requests for Transfer of Securities held in physical form would be carried out in dematerialized form only except in case of transmission or transposition of securities. Therefore, Registrar and Share Transfer Agent and Company will not accept any request for transfer of shares in physical form. The Company obtains from a Company Secretary in practice, yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations, and files a copy of the same with the stock exchanges. On March 31, 2026, there were no unprocessed transfers pending.

DETAILS OF DEMAT/ UNCLAIMED SUSPENSE ACCOUNT:

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS:
The Company is in compliance with the requirements under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of Listing Regulations, as amended from time to time.

REGISTERED OFFICE:
Village Nagkalan, Majitha Road, Amritsar-143601, Punjab, India.

CORPORATE OFFICE:

Village Nagkalan, Majitha Road, Amritsar-143601, Punjab, India.

PLANT LOCATION:

1. Village Nagkalan, Majitha Road, Amritsar-143601, Punjab, India.
2. 1-A, Industrial Area, Raja Ka Bagh, Jassur, Teh. Nurpur, Dist. Kangra (HP) - 176201 INDIA.

CREDIT RATING

The Company does not have any debt instruments or any fixed deposits scheme or programme and as of now, there is no proposal of any scheme or programme in respect of mobilisation of funds, whether in India or abroad, hence credit rating in relation to aforesaid purpose is not applicable to the Company.

IN CASE THE SECURITIES ARE SUSPENDED FROM TRADING, THE DIRECTOR'S REPORT SHALL EXPLAIN THE REASON THEREOF : Not Applicable

REGISTRAR AND TRANSFER AGENTS:
Bigshare Services Private Limited, Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093,.**Tel No.:** +91 22 62638200 **Web:** www.bigshareonline.com

INVESTORS / SHAREHOLDERS CORRESPONDENCE:
Investors / Shareholders may Correspond with the company at the Corporate/Registered Office of the company at Village Nagkalan, Majitha Road, Amritsar-143601, Punjab, India.

Contact info.: 8558820862, **E-mail Id**- cs@kwalitypharma.com **Web:** www.kwalitypharma.com

For and on Behalf of the Board

	Sd/-	**Sd/-**
	(RAMESH KUMAR)	**(AJAY KUMAR ARORA)**
Place: Amritsar	**Managing Director**	**Whole Time Director**
Date: 08th August 2026	**DIN: 00462656**	**DIN: 00462664**

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

I, RAMESH KUMAR (DIN: 00462656), Managing Director of **KWALITY PHARMACEUTICALS LIMITED**, hereby declare that all the members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2026.

Sd/-

Place:-Amritsar
Date:- 08th August 2026

RAMESH KUMAR
Managing Director
(DIN: 00462656)

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,
KWALITY PHARMACEUTICALS LIMITED
Village Nagkalan, Majitha Road,
Amritsar-143601.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **KWALITY PHARMACEUTICALS LIMITED** (**'the Company'**) having CIN **L24232PB1983PLC005426** and having registered office at Village Nagkalan, Majitha Road, Amritsar-143601 (hereinafter referred to as 'the Company'), produced before 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 our opinion and to the best of our information and according to the verifications (including verification of the status of Director Identification Number (DIN) on the MCA portal) as considered necessary and explanations furnished to us by the Company & its officers, 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.	Ramesh Kumar	00462656	04/05/1983
2.	Ajay Kumar Arora	00462664	01/08/1995
3.	Aditya Arora	07320410	22/10/2015
4.	Geeta Arora	03155615	01/10/2010
5.	Anju Arora	03155641	01/10/2010
6.	Vinod Kumar Sharma	08502519	26/07/2025
7.	Preetmohinder Singh Bedi	11452004	01/01/2026
8.	Bhavesh Mahajan	09614108	28/01/2026
9.	Kartik Kapur	08966816	16/01/2021
10.	Prashanth Vellanki	05182633	16/03/2023

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 RISHI MITTAL & ASSOCIATES
(Company Secretaries)
Sd/-
(RISHI MITTAL)
PROP.
ACS No. 12613 & C P No.: 3004
UDIN:- A012613H001052553

Place : Amritsar
Date : 08th August 2026

MD/CFO CERTIFICATION

To,

The Board of Directors
KWALITY PHARMACEUTICALS LIMITED.

I, RAMESH KUMAR, the Managing Director (DIN:00462656) of the Company and I, ADITYA ARORA, the Chief Financial Officer (CFO) of the Company do hereby certify to the Board that:

1. We have reviewed the financial statements and the cash flow statement of the company for the year ending 31st March, 2026 and that 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.

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

3. We accept 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 and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

4. We have indicated to the auditors and the Audit committee that

i. There are no significant changes in internal control over financial reporting during the year;
ii. There are no significant changes in accounting policies during the year;
iii. There are no instances of significant fraud of which we are aware and which involve management or any employees, having significant role in the Company's internal control system over financial reporting.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

	Sd/-	**Sd/-**
Place:-Amritsar	**ADITYA ARORA**	**RAMESH KUMAR**
Date:- **19-05-2026**	(Chief Financial Officer)	(Managing Director)
	DIN:- 07320410	DIN:- 00462656

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
KWALITY PHARMACEUTICALS LIMITED.

We have examined the compliance of conditions of Corporate Governance by **KWALITY PHARMACEUTICALS LIMITED** ('the Company'), for the Financial Year ended **31st March 2026**, as stipulated in regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C, D and E of the 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 of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For RISHI MITTAL & ASSOCIATES
(Company Secretaries)
Sd/-
(RISHI MITTAL)
PROP.
ACS No. 12613 & C P No.: 3004

Place : Amritsar
Date : 08th August 2026
UDIN:- A012613H001052564

ANNEXURE 'F'

MANAGEMENT DISCUSSION & ANALYSIS

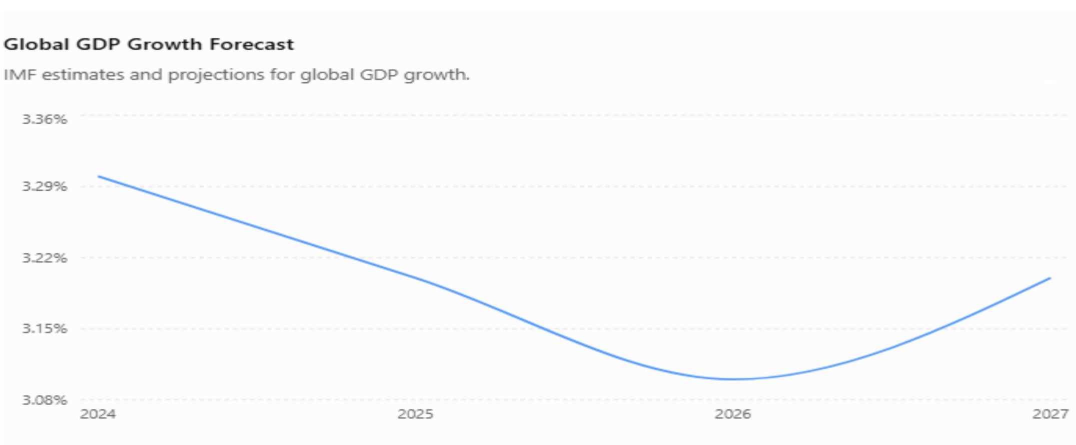
INDUSTRY STRUCTURE & DEVELOPMENT

Global Economy Overview

The global economy demonstrated notable resilience during **Calendar Year (CY) 2025,** despite heightened geopolitical tensions, evolving trade policies, persistent inflationary pressures and continued supply chain realignments. Economic activity was supported by resilient labour markets, easing monetary conditions in several major economies, sustained consumer spending and accelerating investments in digital technologies and artificial intelligence (AI). Although growth moderated from post-pandemic highs, the global economy continued to expand at a steady pace, reflecting the adaptability of businesses and policymakers in an increasingly complex operating environment.

The global economic landscape during **FY 2025-26** was significantly influenced by the continuing Russia–Ukraine conflict and the escalation of tensions in the Middle East. These developments resulted in volatility in crude oil prices, increased freight and logistics costs, disruptions in key maritime trade routes and heightened uncertainty in global financial markets. The pharmaceutical and healthcare sectors, however, continued to demonstrate resilience owing to sustained demand for medicines, vaccines and healthcare services.

According to the **International Monetary Fund (IMF)**, global growth is projected to moderate to **3.1% in 2026**, with a marginal improvement to **3.2% in 2027**, supported by stable demand, technology investments and a gradual recovery in trade. Advanced economies are expected to witness relatively subdued growth, while emerging markets and developing economies are expected to remain more resilient, supported by domestic demand and infrastructure spending. However, these projections remain subject to significant downside risks arising from geopolitical conflicts, trade policy uncertainty, financial market volatility and supply chain disruptions.



Indian Economy Overview

India continued to demonstrate strong economic resilience during **FY 2025-26** and remained one of the fastest-growing major economies globally. Growth was supported by robust domestic consumption, rising government capital expenditure, sustained infrastructure development, a resilient services sector and continued structural reforms. Despite global geopolitical uncertainties, including the Russia–Ukraine conflict and tensions in the Middle East, India's macroeconomic fundamentals remained stable, supported by prudent fiscal management and a resilient financial system.

India recorded real GDP growth of approximately 6.3% during FY 2025-26, according to the **International Monetary Fund (IMF)**, reinforcing its position as one of the fastest-growing major economies globally. Inflation remained broadly within the **Reserve Bank of India's (RBI) target band of 4% ± 2%**, while foreign exchange reserves remained robust at **over US$700 billion**, providing a strong buffer against external shocks and supporting macroeconomic stability.

Government initiatives such as **Make in India**, **Production Linked Incentive (PLI) Scheme**, **Digital India**, **PM Gati Shakti**, the **National Infrastructure Pipeline (NIP)** and continued public capital expenditure strengthened manufacturing competitiveness, enhanced logistics efficiency and supported long-term economic growth. These initiatives also encouraged private investment, improved the ease of doing business and accelerated digital transformation across sectors.

Global Pharmaceutical Industry Overview

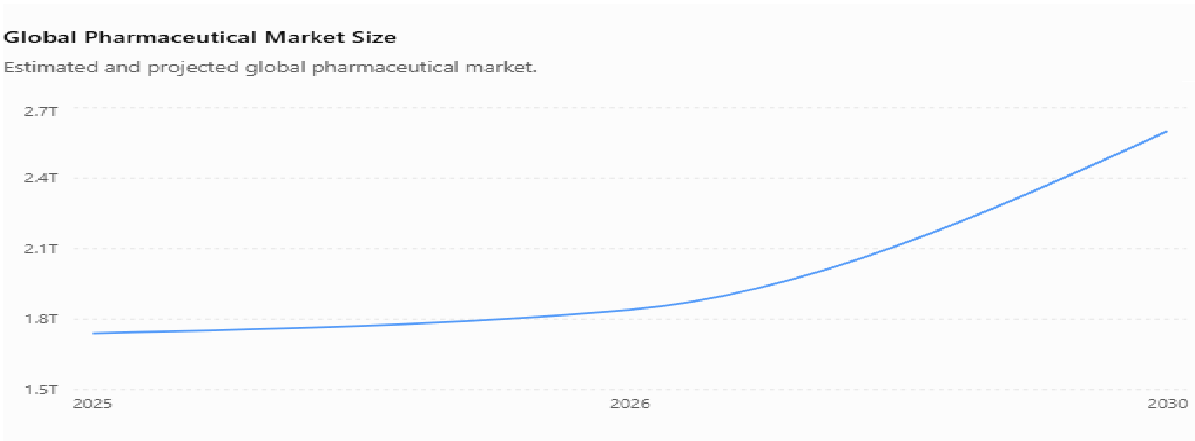
The global pharmaceutical industry continued to demonstrate resilience and sustainable growth during **FY 2025-26**, despite geopolitical tensions, supply chain disruptions, inflationary pressures and economic uncertainties. The industry remained supported by rising healthcare expenditure, ageing populations, increasing prevalence of chronic diseases, expanding healthcare access and continued investments in research and development (R&D).

The **global pharmaceutical market** was estimated at approximately **US$1.74 trillion in 2025** and is projected to reach around **US$1.84 trillion in 2026**, reflecting continued demand across both developed and emerging markets. Long-term industry forecasts indicate that the global pharmaceutical market could exceed **US$2.6 trillion by 2030**, driven by innovation, increasing healthcare needs and wider access to medicines.

The global pharmaceutical industry continued to demonstrate strong resilience during FY 2025-26, supported by rising healthcare expenditure, ageing populations, increasing prevalence of chronic diseases and growing demand for innovative therapies. The global pharmaceutical market is estimated at approximately **US$ 1.74 trillion in 2025** and is projected to reach **US$ 1.84 trillion in 2026**, with long-term projections indicating growth beyond **US$ 2.6 trillion by 2030**. Growth is being driven by biologics, biosimilars, specialty medicines, oncology therapies, obesity treatments, vaccines and digital health solutions.

Emerging markets, particularly **India, China and other Asia-Pacific countries**, continued to strengthen their position in global pharmaceutical manufacturing and exports due to their cost competitiveness, skilled workforce, regulatory compliance and expanding production capabilities. The increasing focus on supply chain diversification has further enhanced the strategic importance of these markets in the global pharmaceutical ecosystem.

Looking ahead, the industry's long-term outlook remains positive, supported by innovation, favourable demographics, rising healthcare expenditure, expanding insurance coverage and increasing global demand for affordable, high-quality healthcare solutions. However, challenges such as pricing pressures, evolving regulatory requirements, geopolitical risks and supply chain disruptions continue to require strategic focus.



Indian Pharmaceutical Industry

Overview

India has firmly established itself as the **"Pharmacy of the World"**, driven by its ability to provide high-quality and affordable medicines to global markets. The country's cost-efficient manufacturing ecosystem, skilled scientific workforce and strong regulatory framework have enabled it to become one of the world's leading pharmaceutical manufacturing hubs. Today, the Indian pharmaceutical industry ranks **3rd globally by volume** and **11th by value**, with over **3,000 pharmaceutical companies** and approximately **10,500 manufacturing units**.

The industry continues to benefit from supportive government initiatives such as the **Production Linked Incentive (PLI) Scheme**, **Promotion of Bulk Drug Parks**, **Strengthening of Pharmaceutical Industry (SPI) Scheme**, and the **Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP)**. These initiatives are strengthening domestic manufacturing, promoting investment in **Active Pharmaceutical Ingredients (APIs)**, reducing import dependence and enhancing India's competitiveness across the global pharmaceutical value chain.

India's pharmaceutical sector has further strengthened its global presence through rising exports, increasing regulatory approvals and sustained foreign investment. Indian pharmaceutical companies continue to diversify their export markets across **North America, Europe, Africa, Latin America, the Middle East and Asia**, enhancing export resilience and reducing dependence on individual geographies. Supported by strong manufacturing capabilities, a robust regulatory ecosystem, continuous innovation and favourable government policies, the Indian pharmaceutical industry remains well-positioned for sustainable long-term growth.

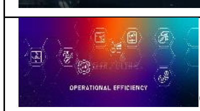
COMPANY OVERVIEW

Kwality Pharmaceuticals Limited is an **integrated pharmaceutical company** engaged in the development, manufacturing and marketing of a diversified range of pharmaceutical formulations catering to regulated, semi-regulated and emerging markets. **With over four decades of industry experience**, the Company has established itself as a reliable manufacturing partner, offering high-quality pharmaceutical products supported by strong research and development capabilities and globally compliant manufacturing infrastructure.

The Company continues to strengthen its position in complex and specialty formulations through sustained investments in research, process innovation and capacity expansion. Its R&D efforts are focused on high-value therapeutic areas including biologics, oncology, liposomal formulations, lyophilised injectables and other complex dosage forms, supporting long-term growth opportunities in global pharmaceutical markets.

During FY 2025-26, the Company delivered strong financial and operational performance, reporting Revenue from Operations of **₹503 Crore**, EBITDA of **₹118 Crore** and Profit After Tax of **₹67 Crore**. The Company continues to strengthen its global footprint through product registrations, regulatory approvals and expansion into new international markets.

With ongoing investments in biologics, oncology and hormone manufacturing facilities, **Kwality Pharmaceuticals** remains focused on sustainable growth, operational excellence and long-term value creation for all stakeholders.

Business Strength	FY 2025-26 Highlights
 **Global Reach**	Products supplied to **70+ countries across** regulated and emerging markets including LATAM, MENA, Africa, Asia, and CIS regions
 **Product Portfolio**	Diversified portfolio of **1,000+ products** across **25+ therapeutic segments**, including General, Beta Lactam, Cephalosporins, Oncology, Biologics and Hormones and specialty injectables
 **Manufacturing Excellence**	5 operational manufacturing facilities with advanced infrastructure; Unit 6 (Hormones) under construction
 **Quality & Compliance Standards**	4 manufacturing units EU-GMP approved, along with global accreditations including PICS, ANVISA, INVIMA, and WHO-GMP compliance
 **Regulatory Strength**	Strong track record of successful regulatory audits including **20+ regulatory/customer/vendor audits in last two years**
 **R&D Capability**	DSIR-recognized in-house R&D centre with **80+ scientists,** focused on complex formulations, biologics, and advanced drug delivery systems
 **Innovation Focus**	Tech Focus on **liposomal pegylated injectables, Emulsion Technology, Lyophilized Injectables, Long – acting Injectables, Niche Biological Injectables**
 **Export led-Model**	Asset-light out-licensing and supply model (90%) with strong international filings and partnerships across regulated markets
 **Operational Efficiency**	Improvement in working capital cycle (cash conversion days reduced significantly) and increasing capital productivity
 **Pipeline Strength**	Strong biologics pipeline including EPO biosimilar **(target FY27 launch)** and multiple monoclonal antibodies under development

OUTLOOK

The Company remains optimistic about its long-term growth prospects, supported by increasing demand for high-quality pharmaceutical formulations, expanding opportunities in regulated markets and a growing focus on complex and specialty products. With continued investments in manufacturing infrastructure, research and development, regulatory approvals and product development, the Company is well-positioned to strengthen its global market presence and improve its competitive advantage.

Going forward, the Company will continue to focus on expanding its presence in regulated markets through additional product registrations and regulatory approvals. The recent EU-GMP approvals for its General and Beta Lactam manufacturing facilities are expected to enhance access to regulated markets and support future export growth

The Company is pursuing capacity expansion across its Oncology and Biologics facilities while progressing with the construction of a dedicated Hormone manufacturing unit. These investments are expected to enhance manufacturing capabilities, diversify the product portfolio and support future revenue growth from high-value therapeutic segments.

Research and development will remain a key growth driver. The Company is advancing its pipeline of **complex formulations, biosimilars and niche injectable products, including the clinical development of Erythropoietin (EPO) and other biologic molecules.** These initiatives are expected to strengthen its presence in specialty pharmaceuticals and create long-term value.

The Company also intends to leverage its asset-light out-licensing and supply model, supported by a growing portfolio of regulatory filings and strategic partnerships across international markets. This approach is expected to facilitate scalable growth while maintaining prudent capital allocation and operational efficiency.

Management expects these strategic initiatives, together with continued emphasis on quality, regulatory compliance, operational excellence and innovation, to support sustainable growth and strengthen the Company's position in the global pharmaceutical industry over the medium to long term.

Opportunities

The Global Pharmaceutical Industry continues to benefit from increasing healthcare expenditure, an ageing population, rising prevalence of chronic diseases and growing demand for affordable generic medicines. The ongoing shift towards complex injectables, specialty pharmaceuticals and biosimilars presents significant growth opportunities for manufacturers with strong research, development and regulatory capabilities. Additionally, the increasing preference of global pharmaceutical companies for outsourcing manufacturing and the diversification of supply chains beyond traditional sourcing markets create new opportunities for Indian Pharmaceutical Companies.

Kwality Pharmaceuticals is well-positioned to capitalize on these trends through its diversified product portfolio, expanding manufacturing capabilities, EU-GMP approved facilities, and growing presence in regulated and semi-regulated markets. The Company's continued investments in Oncology, Biologics and Hormone manufacturing facilities, coupled with its focus on complex formulations, research & development, regulatory filings and an asset-light out-licensing model, are expected to support sustainable growth and strengthen its competitive position in international markets.

Key Opportunities

- Growing global demand for affordable generic pharmaceuticals and specialty formulations.
- Increasing outsourcing opportunities for Indian pharmaceutical manufacturers.
- Expansion in regulated markets supported by international regulatory approvals.
- Rising demand for oncology products, biologics and biosimilars.
- Capacity expansion and commercialization of high-value products.
- Growth through strategic out-licensing and global supply partnerships.

Threats

The pharmaceutical industry remains highly competitive and subject to stringent regulatory oversight across domestic and international markets. Frequent changes in regulatory requirements, pricing pressures in generic medicines, delays in product approvals and increasing compliance costs may impact business operations and profitability. The industry is also exposed to risks arising from supply chain disruptions, fluctuations in raw material prices, geopolitical uncertainties and foreign exchange volatility, which can affect manufacturing costs and export revenues.

For Kwality Pharmaceuticals, maintaining regulatory compliance across multiple markets, managing input cost inflation, timely commercialization of new products and sustaining competitiveness in export markets remain key priorities. The Company continues to mitigate these risks by strengthening its quality systems, diversifying its product portfolio and export markets, investing in manufacturing excellence and focusing on operational efficiency.

Key Threats

- Stringent and evolving global regulatory requirements.
- Pricing pressure in domestic and international generic pharmaceutical markets.
- Delays in regulatory approvals and commercialization of new products.
- Volatility in raw material, energy and logistics costs.
- Foreign exchange fluctuations affecting export earnings.
- Supply chain disruptions and geopolitical uncertainties.
- Intense competition from domestic and multinational pharmaceutical companies.

Risks and concerns

The pharmaceutical industry operates in a dynamic and highly regulated environment, exposing the Company to various business, operational and financial risks. Kwality Pharmaceuticals continues to strengthen its risk management framework by focusing on regulatory compliance, quality assurance, operational excellence and business diversification to mitigate these risks and support sustainable growth.

Key Risks and Mitigation Measures

Risk	Potential Impact	Mitigation Measures
Regulatory Risk	Changes in regulatory requirements, inspections and delays in product approvals may affect product launches and exports.	Continuous compliance with EU-GMP and other international quality standards, regular audits and strengthening of quality systems.
Market Competition	Intense competition from domestic and global pharmaceutical companies may result in pricing pressure and margin compression.	Focus on complex formulations, specialty products, biologics, product differentiation and operational efficiency.
Raw Material & Supply Chain Risk	Fluctuations in raw material prices and disruptions in global supply chains may increase manufacturing costs and affect production schedules.	Diversified supplier base, strategic procurement and inventory management practices.
Foreign Exchange Risk	Volatility in foreign exchange rates may impact export revenues and profitability.	Natural hedging through diversified export markets and prudent treasury management.
Operational Risk	Manufacturing interruptions equipment failures or quality issues may affect business continuity.	Preventive maintenance, process automation, robust quality control systems and business continuity planning.
Research & Product Development Risk	Delays in product development, bio-equivalence studies or regulatory approvals may postpone commercialization.	Continuous investment in R&D, project monitoring and regulatory planning.
Cybersecurity & Information Risk	Increasing digitalization exposes the Company to cyber threats and data security risks.	Implementation of IT security controls, data protection measures and periodic cybersecurity assessments.

Risk Management Approach

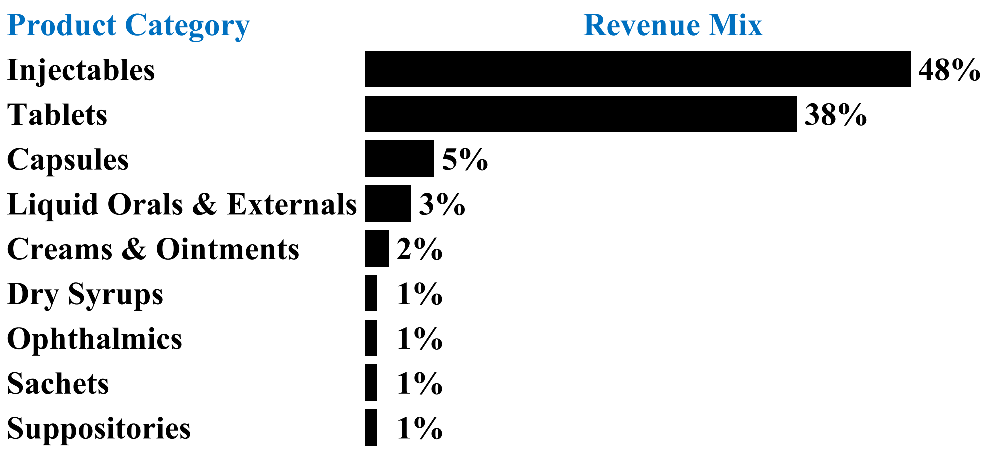
The Company has established appropriate internal control systems and risk management practices to identify, monitor and mitigate key business risks. Continuous emphasis on regulatory compliance, quality management, operational efficiency, supply chain resilience and prudent financial management enables the Company to respond effectively to changing business conditions while pursuing sustainable long-term growth.

SEGMENT WISE PERFORMANCE

The Company operates in a single business segment, namely pharmaceutical formulations, and offers a diversified portfolio of over 1,000 formulations across more than 25 therapeutic categories. During the year, the Company continued to strengthen its product mix by focusing on complex formulations, injectables, oncology products, biologics and other specialty therapies while expanding its global presence across regulated and semi-regulated markets. The Company's revenue continued to be driven by its out-licensing and supply business model, supported by its manufacturing capabilities and regulatory approvals.

Product-wise Revenue Mix

Revenue Contribution by Product Category



Key Highlights

86% of the Company's revenue was contributed by Injectables (48%) and Tablets (38%), demonstrating the Company's strong manufacturing capabilities and market presence in these key dosage forms. The remaining 14% was derived from Capsules, Liquid Orals & Externals, Creams & Ointments, Dry Syrups, Ophthalmics, Sachets and Suppositories, reflecting a well-diversified product portfolio across multiple pharmaceutical dosage forms.

INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company has a robust system of internal controls comprising authority levels and powers, supervision, checks and balances, policies and procedures. The system is reviewed and updated on an on-going basis. The Company continuously upgrades its internal control systems by taking measures such as strengthening of IT infrastructure and use of external management assurance services. The Company has in place a well-defined internal audit system whereby the internal audit is performed across locations of the Company and the results of the audit findings are reviewed by the audit committee.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

(In Rupees Lacs)

Particulars	Current Year	Previous Year
Total Income	50591.75	37211.71
Profit before Tax (PBT)	8949.27	5422.70
Profit After Tax (PAT)	6734.66	3988.97

During the year under review, the Company delivered a strong financial performance, with total income increasing to **₹50,591.75 lakhs from ₹37,211.71 lakhs in the previous year,** reflecting healthy growth in business operations. **Profit Before Tax (PBT)** increased to **₹8,949.27 lakhs** from **₹5,422.70 lakhs**, while **Profit After Tax (PAT) rose to ₹6,734.66 lakhs from ₹3,988.97 lakhs.** The improvement in financial performance was driven by higher operational revenues, an improved product mix, enhanced manufacturing efficiencies and continued focus on cost optimisation. Going forward, despite prevailing macroeconomic and geopolitical uncertainties, the Company remains confident of sustaining its growth momentum through capacity expansion, increasing presence in regulated markets, product portfolio diversification and continued emphasis on operational excellence.

The details of changes in key financial ratios are explained in the table below:

Ratios	Financial year 2025-26	Financial year 2024-25
Debtors Turnover	2.30	2.72
Inventory Turnover	2.98	2.04
Current Ratio	1.80	1.68
Interest Coverage Ratio*	9.15	6.48
Debt Equity Ratio	0.39	0.42
Operating Profit Margin	19.97%	14.65%
Net Profit Margin	13.39%	10.78%
Return on Net Worth	20.20%	15.00%

*The Interest Coverage Ratio has improved by more than 41% during the financial year ended 31st March, 2026, due to rise in EBITA.

The Net Worth Ratio has increased during the year ended 31st March, 2026 as compared to the previous year, primarily due to increase in Net Profit.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company's human resources are a critical asset in ensuring the successful execution of the Company's operations. **Kwality Pharmaceuticals Limited** continued to prioritize its people as a key pillar of sustainable growth. The Company undertook several strategic HR initiatives focused on **talent acquisition, retention, capability building**, and **employee well-being**. The Company implemented structured training programs across departments to build technical and leadership capabilities. Initiatives to improve employee engagement, workplace safety, and productivity are also prioritize. In order to motivate employees and recognize their outstanding work, employees are being awarded for excellent work . As of the end of FY 2025-26, the total number of the employees of Company are **1137 (on roll).** The high retention rate reflects the Company's commitment to fostering a conducive work environment and its ability to attract, retain and nurture a highly skilled talent pool.

Industrial relations remained **harmonious and collaborative**, with regular engagement between management and employee representatives. The Company maintained **100% statutory compliance** with labor and safety regulations across all facilities.

Kwality Pharmaceuticals remains committed to building a **skilled, engaged, and future-ready workforce** aligned with its growth ambitions and values.

CAUTIONARY STATEMENT

Statement in this report describing the Company's objectives, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the company's operations include economic conditions affecting demand / supply and price condition in the domestic markets in which the company operates, changes in the government regulations, tax laws and other statutes and other incidental factors.

For and on Behalf of the Board

	Sd/-	**Sd/-**
	(RAMESH KUMAR)	**(AJAY KUMAR ARORA)**
Place: Amritsar	**Managing Director**	**Whole Time Director**
Date: 08th August 2026	**DIN: 00462656**	**DIN: 00462664**

INDEPENDENT AUDITORS' REPORT FOR THE STANDALONE FINANCIAL STATEMENTS OF KWALITY PHARMACEUTICALS LIMITED

To the Members of
Kwality Pharmaceuticals Limited.

Opinion

We have audited the accompanying standalone financial statements of **Kwality Pharmaceuticals Limited** (the "Company"), which comprise the Balance Sheet as at **31 March 2026**, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and total comprehensive income (comprising of profit/loss and other comprehensive income), its cash flows and the changes in equity 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) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Standalone 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 ethical requirements that are relevant to our audit of the standalone 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis/Corporate Governance Report and Shareholder's Information but does not include the consolidated financial statements, the standalone financial statements and our auditor's report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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 communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 and Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 standalone 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 standalone 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 control.

- Obtain an understanding of internal financial 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 adequate internal financial controls 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 the Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Directors 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in:

    (i) planning the scope of our audit work and in evaluating the results of our work; and
    (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

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 in terms of sub section (11) of Section 143 of the Act, we give in the "**Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable**.**

2. (A) 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 standalone balance sheet, the standalone statement of profit and loss (including Other Comprehensive Income), the standalone statement of cash flows and standalone statement of changes in equity dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B**".

g. With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, remuneration paid by the company to its directors during the year is in accordance with the provisions of the provisions of section 197 of the Act; and

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

(a) The Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its standalone financial statements – Refer Note 35 of Notes to Standalone Financial Statements.

(b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(c) The Company has transferred the required amount of unclaimed dividend and shares u/s 124(6) to Investor Education and Protection Fund.

(d) The clause (d) of Rule 11 has been omitted w.e.f 01.04.2021

(e)

i) The management has represented that, to the best of its knowledge and belief, no funds (which are materially 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or

- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or

- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

iii) Based on such audit procedures as 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 (e) (i) and (e) (ii) contain any material mis-statement.

(f) The Company has neither declared nor paid any dividend during the year.

(g) Based on our examination which includes test checks, the company used accounting software for maintaining its books of accounts which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software. Further, during the course of our audit, we have not come across any instance of audit trail feature being tampered with in respect of accounting software where audit trail has been enabled.

For VIJAY MEHRA & CO.
Chartered Accountants
(Firm's Registration No. 001051N)

Sd/-
CA AMIT HANDA
Partner
M. No: 502400
UDIN:- 26502400OKQXSI9034

Place: Amritsar
Date: 19-05-2026

ANNEXURE A– Report under the Companies (Auditor's Report) Order, 2020 of the Standalone Financial Statements of Kwality Pharmaceuticals Limited

Referred to in of our report of even date

In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that : –

(i)

(a) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(b) It has been communicated to us that the management did not conduct a physical verification of all Property, Plant, and Equipment during the year. However, there exists a systematic verification program that we consider to be reasonable, taking into account the company's size and the characteristics of its assets. No significant discrepancies were observed during this verification process.

(c) Based on the information and explanations provided to us, as well as our review of the Company's records, the title deeds for the immovable properties are registered in the name of the Company. However, the title deeds for the Company's Registered Office and Manufacturing unit, located at Village Nagkalan, Majitha Road, Amritsar, Punjab, pertain to leased premises. These premises are owned by Mr. Ramesh Arora and Mr. Ajay Arora, who are the Promoters of the Company, and the lease agreement is established for an initial duration of 49 years. Additionally, the Company possesses another industrial property located at Wakia 6 Mile Stone, Village Nag Kalan, Majitha Road, Amritsar - 143001, which is owned outright by the Company. Furthermore, another manufacturing unit is situated at Plot No. 1-A, Industrial Area Raja Ka Bagh, Tehsil Nurpur, District Kangra, Jassur, Himachal Pradesh, which is also on leased premises. These premises are owned by the Government of Himachal Pradesh, and the lease is for an extended term.

(d) According to the information and explanations given to us, and on the basis of our examination of the record of the company, the company has not revalued any Property, Plant & Equipment (including Right of Use assets) or intangible assets during the year.

(e) According to the information and explanations given to us, and on the basis of our examination of the record of the company, no proceedings have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.

(ii)

(a) As explained to us, the inventory has been physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of verification is reasonable.

In our opinion and on the basis of our examination of the records, the company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.

(b) The Company has working capital limit being sanctioned in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets; the monthly statements filed by the Company with such bank, though have insignificant difference, are largely in agreement with the unaudited books of account of the Company of respective months and no material discrepancies have been observed.

(iii) As per explanations and information given to us, during the year the company has not made any investments in, 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.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

(v) The Company has not accepted any deposits from the public as per the provisions of section 73 to 76 of the Companies Act 2013.Therefore, rules and provisions stated thereunder are not applicable to the Company.

(vi) The maintenance of cost records has been specified by the central government under sub section (1) of section 148 of the Companies Act, 2013 and such accounts and records have been so made and maintained by the company.

(vii) According to the information and explanations given to us and on the basis of our examination of the records of the Company:

(a)The Company has generally deposited the undisputed statutory dues including Goods and Services Tax (GST), Tax Deducted at Source (TDS), Customs Duty, Excise Duty and Value Added Tax and other applicable statutory dues with the appropriate authorities. During the year, there were delays in the deposit of certain GST and TDS dues and in filing the related statutory returns. Such delays were subsequently regularised by the Company through payment of the applicable interest and late fees. According to the information and explanations given to us, there were no undisputed statutory dues outstanding as at 31 March 2026 for a period exceeding six months from the date they became payable.

(b) According to the information and explanations given to us, details of Income tax, Goods and Service tax, Customs Duty, Excise Duty and Value Added Tax, the amounts that may be required to be deposited on account of show cause notice or demands raised by the following departments during the financial year 2025-2026. The Details are as under:

1. As informed to us and based on the records examined, an order bearing No. 14/GST/ADC/JAL/2024-2025 has been received by the Company under Section 74(9) of the Central Goods and Services Tax Act, 2017, read with Section 20 of the Integrated Goods and Services Tax Act, 2017, raising a demand of ₹3,15,02,758/- towards alleged erroneous refund of IGST for the financial years 2017–18 to 2022–23. Further, a penalty of an equivalent amount of ₹3,15,02,758/- has also been levied under the same provisions. Interest under Section 74(9) read with Section 50 of the CGST Act, 2017 and Section 20 of the IGST Act, 2017 has also been levied, though not quantified in the said order.

   As represented to us, the Company had filed an appeal before the Commissioner of Appeals CGST under CGST Act, 2017 challenging the said order. Commissioner of Appeals has dismissed the said Appeal in favour of revenue and further the company has filed civil writ petition against the said order with Punjab and Haryana high court for stay of order (Appeal No. CWP-12033-2026) Accordingly, the total disputed amount of ₹6,30,05,516/- (comprising tax and penalty) is under litigation and remains pending as on the reporting date.

2. The Company has received a Show Cause Notice bearing no. AE/51/2024-25 for the financial years 2017–18 to 2022–23 under Section 74& 122 of the Central Goods and Services Tax Act, 2017. The notice alleges wrongful availment and utilization of Input Tax Credit (ITC) amounting to ₹15,13,03,420/- (Rupees Fifteen Crores Thirteen Lakhs Three Thousand Four Hundred Twenty only). Further, a penalty of ₹15,13,03,420/- has been proposed under Section 74(1) read with Section 122(2)(b). Accordingly, the total disputed amount proposed in the Show Cause Notice is Rs. 30,26,06,840/- (Demand &Penalty)

   The company has filed a civil writ petition in the Punjab and Haryana high court bearing no CWP-34165-2024 against the said show cause notice. Hon'ble Punjab and Haryana high court has stayed the passing of adjudication order in pursuance to the show cause notice and the show cause notice is thus under litigation and remains pending as on the reporting date.

3. As per the information and explanations given to us and based on the records examined, the Company has received orders dated 30/12/2024 in Form DRC-07 from the Goods and Services Tax (GST) Department under Section 74 of the Central Goods and Services Tax Act, 2017, in respect of wrongly availed and passed on Input Tax Credit (ITC). The summary of the demands raised is as follows:

- For the financial year 2017–18, no tax was levied; however, a penalty of ₹2,80,695 /-was imposed.
- For the financial year 2019–20, a demand of ₹6,74,856/-each towards tax and penalty was raised.

- For the financial year 2020–21, a demand of ₹12,62,160 /-towards tax and ₹12,70,485/- towards penalty was raised.

The Company has filed appeals before the appropriate appellate authority under the GST Commissionerate in all the above cases, and the proceedings are pending as on the date of this report. The matter is currently under dispute and remains pending as on the reporting date..

(viii) According to the information and explanations given to us, the company has not surrendered or disclosed any transaction, that has not been previously recorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income, hence, clause(viii) of Order is not applicable.

(ix)

(a) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion, the company has not defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders.

(b) According to the information and explanations given to us, the company is not declared, willful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us, no funds raised on short term basis have been utilized for long term purposes.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures; hence clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies; hence clause (ix) (f) of the Order is not applicable.

(x)

(a) The company has not raised money by way of Initial Public Offer/Further Public Offer during the year.

(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, so clause (x)(b) of the Order is not applicable.

(xi)

(a) According to the information and explanations given to us, no fraud by the company or any fraud on the Company has been noticed or reported during the year.

(b) None of the reports under sub-Section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government.

(c) According to the information and explanation given to us, the company has not received any whistler blower complaints during the year.

(xii) The company is not a Nidhi Company; hence this clause is not applicable.

(xiii) Based upon the audit procedures performed and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv)

(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business

(b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(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 any non-cash transactions with directors or persons connected with him and hence, requirements related to this clause are not applicable.

(xvi)

(a) According to the information and explanations given to us, and in our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) (a), (b) and (c) of the Order are not applicable.

(d) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined under the Regulations by the Reserve Bank of India, hence paragraph 3(xvi) (d) of the Order are not applicable.

(xvii) The Company has not incurred any cash loss in the current financial year and similarly no cash loss in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year.

(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 IND AS financial statements, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is 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.

(xx)

(a) According to the information and explanations given to us and based on our examination of the records of the company, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII to the companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. As per the information and explanation given to us by the Management, the company has no unspent portion of CSR expenditure in respect of ongoing projects as on 31st March 2026.

(xxi) This report, being issued on standalone financial statements, clause (xxi) of the order is not applicable.

For VIJAY MEHRA & CO.
Chartered Accountants
(Firm's Registration No. 001051N)

Sd/-
CA AMIT HANDA
Partner
M. No: 502400
UDIN:- 26502400OKQXSI9034

Place: Amritsar
Date: 19-05-2026

ANNEXURE B: To the Independent Auditor's Report of even date on the Standalone Financial Statements of Kwality Pharmaceuticals Limited

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' of our report to the Members of **Kwality Pharmaceuticals Limited** on the Standalone Financial Statement of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **M/s Kwality Pharmaceuticals Limited ("the company")** as of **March 31, 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. 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 was 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 control 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 with reference to standalone financial statements 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 with reference to standalone Ind AS financial statements includes 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 authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 with reference to Standalone Ind AS Financial Statements

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 with reference to standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to standalone Ind AS financial statements 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 with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at March 31, 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 issued by the Institute of Chartered Accountants of India.

For VIJAY MEHRA & CO.
Chartered Accountants
(Firm's Registration No. 001051N)

Sd/-
CA AMIT HANDA
Partner
M. No: 502400
UDIN:- 26502400OKQXSI9034

Place: Amritsar
Date: 19-05-2026

KWALITY PHARMACEUTICALS LIMITED
Regd.Office.:- VILLAGE NAGKALAN, MAJITHA ROAD, AMRITSAR , PUNJAB -143601
CIN No. :- L24232PB1983PLC005426; Phone no. :- 8558820862
Email Id:- ramesh@kwalitypharma.com; Website :- www.kwalitypharma.com

Standalone Balance Sheet as at 31st March, 2026

(₹ in lakhs)

	Particulars	Note No.	As at 31ST March, 2026 (Audited)	As at 31ST March, 2025 (Audited)
I	**ASSETS**			
A	**Non-current assets**			
	(a) Property Plant and Equipments	3	14851.59	14275.84
	(b) Intangible assets	4	584.54	170.72
	(c) Capital work-in-progress	5	1700.62	.00
	(d) Deferred tax Assets	6	250.18	161.48
			17386.93	**14608.04**
	(e)Financial Assets:			
	(i) Investments	7	354.78	354.78
	(f) Other non-current assets	8	1145.23	1618.76
	Total Non-Current Assets (A)		**18886.94**	**16581.58**
B	**Current assets**			
	(a) Inventories	9	7825.23	8346.57
	(b) Financial Assets:			
	(i) Trade receivables	10	28121.97	15590.00
	(ii) Cash and Bank Balances	11	68.28	1155.29
	(iii) Bank Balances other than (ii) above	12	285.59	273.51
	(iv) Other Current Financial Assets	13	882.01	1279.37

	(c) Other current assets	14	3496.04	1845.70
	Total Current Assets (B)		**40679.11**	**28490.44**
	TOTAL ASSETS (A+B)		**59566.06**	**45072.01**
II	**EQUITY AND LIABILITIES**			
A	**Equity**			
	(a) Share capital	15	1037.62	1037.62
	(b) Other Equity	16	32299.62	25546.82
	Total Equity (A)		**33337.24**	**26584.44**
B	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	17	2940.02	1511.89
	(b) Provisions-Non current	18	118.32	25.17
	(c) Deferred tax liabilities (net)		-	-
	(d) Other Non-Current Liabilities	19	618.49	
	Total Non- current liabilites (B)		**3676.82**	**1537.07**
C	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	20	10106.04	9732.63
	(ii) Trade payables			
	-Total outstanding dues of micro enterprises and small enterprises	21	1916.25	2117.99
	-Total outstanding dues of other than micro enterprises and small enterprises	21	8252.41	3461.35
	(iii) Other Current Financial liabilities	22	527.96	500.58
	(b) Other Current Liabilities	23	890.32	528.38
	(c) Provisions-Current	24	39.30	16.49
	(d) Current Tax Liabilities (net)	25	819.73	593.08

	Total Current Liabilities (C)		**22552.00**	**16950.50**
	TOTAL EQUITY AND LIABILITIES (A+B+C)		**59566.06**	**45072.01**

The accompanying notes forming part of Financial statement

As per our report of even date attached

For VIJAY MEHRA & CO.
Chartered Accountants
(Firm's Registration No. 001051N)

For and on behalf of the Board of directors

Sd/-
CA AMIT HANDA
Partner
M. No: 502400
UDIN:- 26502400OKQXSI9034

Sd/-
Ramesh Kumar
Managing director
DIN:00462656

Sd/-
Ajay Kumar Arora
Whole time director
DIN:00462664

Place: Amritsar
Date: 19-05-2026

Sd/-
Gurpreet Kaur
Company Secretary

Sd/-
Aditya Arora
Whole time Director &CFO
DIN:07320410

KWALITY PHARMACEUTICALS LIMITED
Regd.Office.:- VILLAGE NAGKALAN, MAJITHA ROAD, AMRITSAR – PUNJAB 143601
CIN No. :- L24232PB1983PLC005426; Phone no. :- 8558820862
Email Id:- ramesh@kwalitypharma.com; Website :- www.kwalitypharma.com

Standalone Statement of Profit and Loss for the year ended 31st March 2026

(₹ in lakhs) except EPS

Sr. No.	Particulars	Note No:	Year Ended 31.03.2026 (Audited)	Year Ended 31.03.2025 (Audited)
I.	Revenue from operations (Net)	26	50305.89	37019.70
II.	Other income	27	285.86	192.01
III.	**Total Revenue (I+II)**		**50591.75**	**37211.71**
IV.	Expenses			
	(a) Cost of materials consumed	28	24081.02	16541.24
	(b) Purchases of stock-in-trade	29	1734.63	1590.16
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	27.77	117.24
	(d) Employee benefits expense	31	5403.84	4375.98
	(e) Finance Cost	32	1097.04	987.79
	(f) Depreciation and amortisation expense		1979.43	1825.84
	(g) Other expenses	33	7235.82	6350.74
	Total expenses (IV)		**41559.54**	**31789.01**
V.	Profit/(Loss) from operations before Exceptional items and Tax (III-IV)		**9032.21**	**5422.70**

VI.	Exceptional items	34	82.94	.00
VII.	**Profit / (Loss) before Tax (V-VI)**		**8949.27**	**5422.70**
VIII.	Tax expense: (1) Current tax (2) Deferred tax (3) Income tax relating to earlier years		 2280.03 -88.70 23.29	 1469.47 -158.94 123.19
IX.	**Profit/(Loss) after Tax (VII-VIII)**		**6734.66**	**3988.97**
X.	Other Comprehensive Income (net of tax) (i) Items that will not be reclassified to profit or loss (ii) Items that will be reclassified to profit or loss		 13.67 .00	 -.97 .00
	Total Other Comprehensive Income (net of tax)		**13.67**	**-.97**
XI.	**Total Comprehensive Income for the period (IX+X)**		**6748.33**	**3988.01**
XII. XIII.	Paid up Equity Share Capital (Face value Rs.10 each) Other Equity(excluding revaluation reserve)		1037.62 32219.62	1037.62 25466.82
XIV.	**Earnings per equity share (Non annualised) (In Rs.)**			
	(1) Basic (2) Diluted		64.90 64.90	38.44 38.44

The accompanying notes forming part of Financial statement

As per our report of even date attached

For VIJAY MEHRA & CO.
Chartered Accountants
(Firm's Registration No. 001051N)

For and on behalf of the Board of directors

Sd/-
CA AMIT HANDA
Partner
M. No: 502400
UDIN:- 26502400OKQXSI9034

Sd/-
Ramesh Kumar
Managing director
DIN:00462656

Sd/-
Ajay Kumar Arora
Whole time director
DIN:00462664

Place: Amritsar
Date: 19-05-2026

Sd/-
Gurpreet Kaur
Company Secretary

Sd/-
Aditya Arora
Whole time Director &CFO
DIN:07320410

KWALITY PHARMACEUTICALS LIMITED					
Standalone Cash Flow Statement for the Year ended 31st March 2026					
					(₹ in lakhs)
		Year ended 31st March 2026		**Year ended 31st March 2025**	
		(Audited)		**(Audited)**	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit Before Tax		**8949.27**		**5422.70**
	Adjustments for non-cash items:				
	Depreciation & Amortisation	1979.43		1825.84	
	Other non-cash items	132.23		2.25	
	Adjustments for Finance cost:				
	Interest & Finance Charges	1097.04		987.79	
	Adjustments for Investing activities:				
	Profit/loss on sale of Assets	-71.22		-2.84	
	Interest on investments	-12.54		-15.88	
			3124.95		2797.17
	Operating Profit before Working Capital Changes		**12074.22**		**8219.87**
	Adjustments for:				
	Decrease/(Increase) in Trade receivables	-12531.97		-3992.01	
	Decrease/(Increase) in Inventories	521.34		-507.83	
	Adjustment for Bank Balances (Except Cash & Cash Equivalent)	-12.07		95.07	
	Decrease/(Increase) in Other Current Assets	397.36		912.33	
	Decrease/(Increase) in Other Financial Assets,Current	-1650.34		359.86	
	Increase/(Decrease) in Trade Payables	4589.31		1147.63	
	Increase/(Decrease) in Financial Current Liabilities	27.39		2054.27	
	Increase/(Decrease) in Other Current Liabilties	361.93		-1385.50	

	Increase/(Decrease) in Other Liabilities & Provisions	22.81		-50.91	
	Increase/(Decrease) in Provisions (non-current)	-23.31		3.58	
			-8297.56		-1363.51
	Cash generated from operations		**3776.66**		**6856.36**
	Less: Income Tax Paid(Net of Refunds)		2076.67		1578.99
	Net Cash flow from Operating activities (A)		**1699.99**		**5277.37**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase for Property, Plant and Equipment	-4460.15		-2291.00	
	Proceeds from disposal of Property, Plant and Equipment	324.20		7.61	
	Purchase of Intangible asset	-433.89		-171.00	
	Interest on investments	12.54		15.88	
	(Increase)/Decrease in Other Long term Assets	473.53		-374.74	
	(Increase)/Decrease in Other Long term Liability	592.81		0.00	
	Net Cash used in Investing activities (B)		**-3490.96**		**-2813.24**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds of Borrowings	3169.31		879.41	
	Repayment of Borrowings	-1368.31		-1335.65	
	Interest paid	-1097.04		-987.79	
	Net Cash from financing activities (C)		**703.96**		**-1444.04**
	Net increase in cash & Cash Equivalents (A+B+C)		-1087.01		1020.09
	Opening Cash and Cash equivalents		1155.29		135.19
	Closing Cash and Cash equivalents		**68.28**		**1155.29**
	Cash & Cash Equivalents		**As on**		**As on**
			31.03.2026		**31.03.2025**
	Cash in Hand		46.97		13.84
	Cash at Bank		21.31		1141.45
	Cash & Cash equivalents as stated in Financial Statements		**68.28**		**1155.29**

Notes:

1.The above cash flow statement has been prepared under "Indirect Method" as set out in Ind AS-7 on Statement of Cash flow

2.Previous year's figures have been re-grouped and re-arranged wherever necessary.

As per our report of even date attached

For VIJAY MEHRA & CO. **Chartered Accountants** **(Firm's Registration No. 001051N)**	**For and on behalf of the Board of directors**	
Sd/- **CA AMIT HANDA** **Partner** **M. No: 502400** **UDIN:- 26502400OKQXSI9034**	**Sd/-** **Ramesh Kumar** **Managing director** **DIN:00462656**	**Sd/-** **Ajay Kumar Arora** **Whole time director** **DIN:00462664**
Place: Amritsar **Date:19-05-2026**	**Sd/-** **Gurpreet Kaur** **Company Secretary**	**Sd/-** **Aditya Arora** **Whole time Director &CFO** **DIN:07320410**

Standalone Statement of Changes in Equity for the year ended March 31, 2026 (₹ In lakhs)

Particulars	Share Capital	Other Equity				Total Equity
		Reserve and Surplus				
	Equity Share Capital	Securities Premium Reserve	Building Revaluation Reserve	Investment Allowance Reserve	Retained Earnings	
Balance as at 31st March, 2024	**1037.62**	**846.77**	**80.00**	**-**	**20630.11**	**22594.50**
Profit for the year	-	-	-	-	3988.97	3988.97
Other comprehensive income for the year, net of tax	-	-	-	-	-.97	-.97
Reclassification Adjustment during the Year					1.94	1.94
Total comprehensive income for the year	-	-	-	-	**3989.94**	**3989.94**
	-	-	-	-		
Balance as at 31st March, 2025	**1037.62**	**846.77**	**80.00**	**-**	**24620.05**	**26584.44**
Profit for the year	-	-	-	-	6734.66	6734.66
Prior-period adjustment relating to recognition of lease liabilities and ROU Asset under Ind AS 116, Note no:2.2(n)					4.47	4.47
Other comprehensive income for the year, net of tax		-	-	-	13.67	13.67
Reclassification Adjustment during the Year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	**6748.33**	**6748.33**
Balance as at 31st March, 2026	**1037.62**	**846.77**	**80.00**	**-**	**31372.85**	**33337.24**

Notes to the Standalone Financial Statements for the year ended March 31, 2026

1. General Information

The Standalone Financial Statements of "**Kwality Pharmaceuticals Limited**" ("the Company") are for the year ended 31st March, 2026.

The Company is a domestic public limited company incorporated and domiciled in India and has its registered office at Village Nagkalan, Majitha Road, Amritsar, Punjab – 143601, India.

The company was incorporated as private limited company on 04/05/1983 under the Companies Act, 1956. The company was then converted into public limited company on 28/12/2015, subsequently name changed to Kwality Pharmaceuticals Limited. After that, the company obtained listing status of SME platform of Bombay Stock Exchange by making the Initial Public Offer and the shares of the company were listed on the SME platform of BSE on 18th of July, 2016.

The Company made an application for Migration of the Company's Equity Shares from SME Platform of BSE Limited to the Main Board of the BSE on 09th April 2022 and received the final approval from BSE Limited on 10th June, 2022. Accordingly, Equity Shares of the Company were listed on the Main Board of BSE Limited with effect from 13th June, 2022. The company is engaged in the business of manufacturers, buyers and sellers of and dealers in all kind of drugs intermediates, chemicals, extracts, alkaloids and other pharmaceutical goods, toilet requisites, medicines, beverages and other medical preparations.

2. Material Significant Policies

2.1 Statement of Compliance

These financial statements are Standalone Financial Statement of the Company that have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules,2015 (as amended) together with the comparative period data as at and for the year ended March 31, 2026 and the relevant provisions of Divisions II of Schedule III to the Companies Act,2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

2.2 Basis of Preparation and Presentation

The standalone financial statements have been prepared on the historical cost convention and on an accrual basis, except for:

(i) certain financial instruments that are measured at fair values at the end of each reporting period;

(ii) Defined benefit plans – plan assets that are measured at fair values at the end of each reporting period, as explained in the accounting policies below:

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services

The standalone financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest Lakhs (₹ 00,000) upto Two decimal, except when otherwise indicated.

All the Assets & Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in Ind AS and Schedule III to the said Act.

a. Classification of Current and Non-current

An asset is treated as current when it is:

i) Expected to be realized or intended to be sold or consumed in normal operating cycle and company has identified twelve months as its normal operating cycle based on the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

ii) Held primarily for the purpose of trading,

iii) Expected to be realized within twelve months after the reporting period, or

iv)Cash or Cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

i) It is expected to be settled in normal operating cycle,

ii) It is held primarily for the purpose of trading,

iii) It is due to be settled within twelve months after the reporting period, or

iv)There is no unconditional right to determine the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non – current.

b. Foreign Currency Transactions

On initial recognition, transactions in currencies other than the Company's functional currency (INR) are translated at exchange rates on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate on that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the year or in previous period are recognized in profit or loss in the period in which they arise.

c. Segment reporting

The Company operates in a Single segment of manufacturing of broad range of finished pharmaceutical formulations in a dosage form viz. Tablets, Capsules, Syrup, Dry Syrup, Injections etc. The product has the same risks and returns, which are predominantly governed by market conditions, namely demand and supply position. Thus, in the context of Ind AS 108 "Operating Segment", issued by the Institute of Chartered Accountants of India, there is only one identified reportable segment.

d. Property, Plant and Equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation/amortization and impairment losses, if any. The cost comprises of the purchase price (net of GST credit wherever applicable) and any attributable cost of bringing the property, plant and equipment to its working condition for its intended use.

Subsequent expenditures related to an item of property, plant, and equipment are added to its gross book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

The Company identifies and determines separate useful life for each major component of property, plant and equipment, if they have useful life that is materially different from that of the remaining asset.

Items such as Laboratory items is recognized in accordance with Ind AS 16 "Property, Plant and Equipment" when they meet the definition of property, plant and equipment. Otherwise, such items are classified as Consumable expense or Inventories as per the nature of item.

Property, plant and equipment not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress". Advances given towards acquisition of property, plant and equipment's outstanding at each Balance Sheet date are disclosed as Capital Advances under "Other Non-Current Assets".

Losses arising from the retirement of, and gains and losses arising from disposal of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the property, plant and equipment and are recognized in the statement of profit and loss when the property, plant and equipment is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e. Intangible asset:

Intangible assets are identifiable non-monetary assets without physical substance, such as software, licenses, trademarks, and similar rights. An intangible asset is recognised only when it is identifiable, the Company has control over the asset, it is probable that future economic benefits will flow to the Company, and the cost of the asset can be measured reliably.

Intangible assets are initially measured at cost, which includes the purchase price and any directly attributable costs necessary to make the asset ready for its intended use. After initial recognition, intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful life. The Company generally assumes a nil residual value unless otherwise assessed. The amortisation method and the useful life are reviewed annually, and any changes are accounted for prospectively.

f. Depreciation &Amortization on Fixed asset:

Depreciation on fixed assets is calculated on written down value basis using the rates arrived at based on the useful life of the assets prescribed under Schedule II of the Companies Act, 2013 for the year ended on March 31, 2026.

The useful life of Property, Plant and Equipment as estimated by the Management on the basis of expert advice and past experience are as under:

Class of Assets	Useful life (in years)
Plant & Machinery	20 years
Building	20-30 years
Furniture	10 years
Vehicles	8 years
Computer Equipment	3 years
Laboratory Equipment	10- 20 years
Office Equipment	5-10 years
Lift	8 years
Electric Fittings	10 years

*Freehold Land held by the company is not depreciated.

During the year ended March 31, 2026, the Company acquired an Intangible asset 'Bioequivalence Study The asset is being amortised over an estimated useful life of **5 years** on a **straight-line basis**.

g. Investment in nature of equity in subsidiaries

The Company has elected to recognize its investments in equity instruments in subsidiaries at a cost in the standalone financial statements.
The Company records the Investment in equity instrument of Subsidiary at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investment in the subsidiary, the difference between net disposal proceeds and the carrying amounts are recognized in the standalone statement of profit and loss.

h. Inventories

Inventories are stated at cost or net realizable value whichever is lower. Cost include purchase price, non-refundable taxes and delivery and handling cost and all costs incurred in bringing the inventory to its present location and condition. Cost of raw materials, process chemicals, stores and spares, packing material, and another inventory is determined on weighted average basis.

Finished goods stock is valued at cost or net realizable value whichever is lower. Cost of finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

The factors that the Company considers in determining the allowance for slow-moving, obsolete, and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory, and introduction of competitive new products, to the extent each of these factors impacts the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience periodically.

i. Statement of Cash Flows

Standalone Statement of Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

j. Provisions, contingent liabilities, and contingent assets

Provisions are recognized when:
(i) The Company has a present obligation (legal or constructive) as a result of a past event,

(ii) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities and contingent assets

Contingent liability is disclosed for,

(i) Possible obligations that will be confirmed only by future events not wholly within the control of the Company, or

(ii) Present obligations arise from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized in the financial statements. A contingent asset is disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually and, if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

k. Employee Benefits

(a) Defined Contribution Plans

The company's contribution to the defined contribution plan paid/payable for the year is charged to the Standalone Statement of Profit and loss.

(b) Defined Benefit Plans

- The Company has gratuity as a defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation using the projected unit credit method. The gratuity fund is administered through the Life Insurance Corporation of India.

- The liability in respect of defined benefit plans is calculated using the projected unit credit method (PUCM) with actuarial valuations being carried out at the end of each annual reporting period.

- The current service cost of the defined benefit plan, recognised in the statement of profit and loss as employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements.

- The Net Interest Cost on Defined Benefit Obligations is also included in the Statement of Profit and Loss under the Head "Employees Benefit Expenses".

- Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to OCI in the period in which they arise and are reflected immediately in retained earnings and is not reclassified to profit or loss.

l. Taxes on Income

(a) Tax expense

- Tax expense consists of current and deferred tax. Income tax expense is recognized in the profit or loss except to the extent that it relates to items recognized in OCI or directly in equity as in that case it is recognized in OCI or directly in equity respectively. Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

- Deferred tax resulting from "timing differences" between taxable and accounting income that originate in one period and are capable of being reversed in one or more subsequent period is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets can be realized in future. However, where there is unabsorbed capital expenditure or carry forward losses under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date.

m. Exceptional Items

Exceptional items refer to items of income or expense, including tax items, within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

On 21 November 2025, the Government of India notified the four Labour Codes – the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 – consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company has evaluated and disclosed the incremental impact of these changes using the best information currently available, consistent with the guidance provided by the Institute of Chartered Accountants of India. Considering the materiality and regulatory-driven, non-recurring nature of this impact, the Company has presented such incremental impact amounting to ₹82.94 lakhs as an exceptional item in the standalone financial results for the quarter and nine months ended 31 December 2025. The increase is primarily on account of past service cost for gratuity liability due to change in wage definition for employees and contract labour. The Company continues to monitor the finalisation of Central/State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

n. Leases

During the current year, the Company recognised the accounting impact of certain lease arrangements entered into in earlier years in accordance with the requirements of Ind AS 116 – Leases. Accordingly, the related Right-of-Use (ROU) assets and lease liabilities have been recognised in the financial statements.

Since these lease arrangements pertained to prior periods, the recognition has been accounted for as a prior period adjustment in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. Accordingly, the opening balances of the Right-of-Use assets, lease liabilities and retained earnings as at 1 April 2025 have been adjusted, and the corresponding net impact has been presented in the Statement of Changes in Equity.

The corresponding adjustments have also been made to the relevant balance sheet line items, wherever applicable. This adjustment relates only to the recognition and measurement of lease accounting under Ind AS 116 and does not affect the Company's cash flows.

Reconciliation of the Net Prior-Period Adjustment:

(₹ in lakh)

Particulars	Amount
Credit impact arising from recognition of the unamortised right-of-use asset relating to the upfront lease arrangement	10.03
Less: Debit impact arising from recognition of lease liabilities in excess of the corresponding right-of-use assets in respect of other lease arrangements	(5.56)
Net increase in opening retained earnings	**4.47**

o. Revenue Recognition

The Company recognizes revenue when the same can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below. Revenue is measured at the value of the consideration received or receivable, considering defined terms of payment and excluding taxes or duties collected on behalf of the government. Amounts disclosed as revenue are exclusive of GST and net of returns, trade allowances, rebates, discounts, and amounts collected on behalf of third parties.

i) Sale of goods

Sales are recognized when substantial risk and rewards of ownership are transferred to customer, in case of domestic customers, sales generally take place when goods are dispatched or delivery is handed over to the transporter. In case of export customers, sales generally take place when goods are shipped on-board based on bill of lading.

ii) Interest & Other Indirect Income

a) Interest income is recognized on time proportion basis considering the amount invested and rate of interest.

b) Revenue in respect of other claims is recognized on an accrual basis to the extent the ultimate realization is reasonably certain.

p. Impairment

(i) Financial Assets

The company's financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired, if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

(ii) Non-Financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.
An impairment loss is recognized in the Statement of Profit or Loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount.

q. 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 Assets

Initial recognition and measurement:

Financial assets are classified into the following categories upon initial recognition:

(a) those measured at amortised cost

(b) those to be measured subsequently at fair value through Statement of Profit & Loss.

The classification depends on the entity's business model for managing the financial assets and the terms of cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income as the case may be.

All financial assets are initially recognized at fair value. Transaction costs of acquisition of financial assets carried at fair value through profit and loss are expensed in the Statement of Profit and Loss.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured subsequently at amortized cost. Interest income from these financial assets is included in Other income as per interest received/receivable from Financial Institutions.

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

Financial liabilities

Initial recognition and measurement:

All financial liabilities are recognized initially at fair value. The Company's financial liabilities majorly comprises trade and other payables.

Financial liabilities are classified as 'FVTPL' if they are held for trading or if they are designated as financial liabilities upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through profit and loss.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same creditor on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Fair Value Measurement

The fair value of an asset or a liability is measured using the assumptions that the market participants would use when pricing the asset or liability.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

r. Investment in Subsidiary

The Company records the Investment in equity instrument of Subsidiary at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investment in subsidiary, the difference between net disposal proceeds and the carrying amounts are recognised in the standalone statement of profit and loss.

s. Use of Judgment's, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Difference between actual results and estimates are recognised in the periods in which the results are known / materialise. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements which have a significant effect on the amounts recognised in the financial statements:

- **Defined benefit plans (Gratuity and Leave encashment benefits)**

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation and Leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- **Useful life of Property, plant and equipment**

The Company reviews the useful life of Property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expenses in the future years.

NOTE : 3 PROPERTY, PLANT & EQUIPMENT`-

Description of Assets	Gross Block						Accumulated Depreciation					Net Block	
	Opening Balance	Additions	Disposal	Impairment during the year	Reclassification	Cost as on 31st March 2026	As on 31st March 2025	Depreciation on assets Impaired	Depreciation on Disposal of Assets	For the year ended 31st March 2026	As on 31st March 2026	As on 31st March 2026	As on 31st March 2025
Plant & Machinery	10336.87	1300.81	-	-	-	11637.68	4172.25	-	-	1011.97	5184.22	6453.46	6164.62
Building	5716.91	68.77	-	-	-	5785.67	1607.42	-	-	393.17	2000.59	3785.08	4109.48
Furniture	728.42	123.16	-	-	-	851.58	421.97	-	-	95.89	517.86	333.72	306.45
Vehicles	1094.79	540.67	-	-	-	1635.46	743.31	-	-	177.58	920.89	714.57	351.48
Computer Equipment	464.29	66.02	-	-	-	530.31	405.62	-	-	48.12	453.74	76.57	58.66
Laboratory Equipment	2223.86	252.76	-	-	-	2476.62	949.53	-	-	192.33	1141.86	1334.76	1274.33
Office Equipment	61.55	1.37	-	-	-	62.93	45.49	-	-	4.66	50.15	12.77	16.06
Lift	66.73	14.14	-	-	-	80.88	38.77	-	-	6.75	45.52	35.35	27.96
Electric Fittings	236.01	29.30	-	-	-	265.31	144.22	-	-	28.37	172.59	92.72	91.79
Right-of-Asset-Note 2 .2(n)	10.03	18.53	-		-	28.56	-	-	-	0.52	0.52	28.04	-
Property	1875.00	362.52	252.98	-	-	1984.54	.00	-	-	-	.00	1984.54	1875.00
Total	22804.43	2788.09	252.98	.00	.00	25339.54	8528.59	.00	.00	1959.36	10487.95	14851.59	14275.84
Previous Year	20521.05	2291.00	7.61	.00	.00	22804.43	6703.03	.00	.00	1825.56	8528.59	14275.84	13818.02

Note: 3a

Property, Plant & Equipment **(₹ in lakhs)**

Particulars	**As at 31st March,2026**	**As at 31st March,2025**
A. Closing Gross Block (other than Capital WIP) (Ai+Aii-Aiii-Aiv+Av)	**25339.54**	**22804.43**
Ai) Opening Gross Block	22804.43	20521.05
Aii) Additions during the year	2788.09	2291.00
Aiii) Disposal of Assets during the year	252.98	7.61
Aiv) Impairment of Assets		
Av) Reclassification		
B. Closing Accumulated Depreciation (Bi+Bii-Biii-Biv)	**10487.95**	**8528.59**
Bi) Opening Accumulated Depreciation	8528.59	6703.03
Bii) Add: Depreciation charged during the Current year	1959.36	1825.56
Biii) Less: Depreciation on assets disposed		
Biv) Less: Depreciation on assets impaired		
Net Block (A-B)	**14851.59**	**14275.84**

NOTE 4 :INTANGIBLE ASSETS

Description Of Asset	Gross Block				Accumulated Amortisation				Net Block	
	Opening Balance	Additions	Disposal	Cost as on 31st March 2026	As on 31st March 2025	Amortisation on asset sold	For the year ended 31st March 2026	As on 31st March 2026	As on 31st March 2026	As on 31st March 2025
Technical Know-How	171.00	-	-	171.00	.28	0.00	17.10	17.38	153.62	170.72
Bioequivalence Study	-	433.89	-	433.89	-	-	2.96	2.96	430.92	-
Total	**171.00**	**433.89**	**.00**	**604.89**	**.28**	**.00**	**20.06**	**20.35**	**584.54**	**170.72**
Previous Year	**.00**	**171.00**	**.00**	**171.00**	**.00**	**0.00**	**.28**	**.28**	**170.72**	**.00**

Note : 4 (a)Intangible assets **(₹ in lakhs)**

Particulars	**As at 31st March,2026**	**As at 31st March,2025**
A. Closing Gross Block (other than Capital WIP) (Ai+Aii-Aiii-Aiv+Av)	**604.89**	**171.00**
Ai) Opening Gross Block	171.00	
Aii) Additions during the year	433.89	171.00
Aiii) Disposal of Assets during the year		
Aiv) Impairment of Assets		
Av) Reclassification		
B. Closing Accumulated Depreciation (Bi+Bii-Biii-Biv)	**20.35**	**.28**
Bi) Opening Accumulated Amortisation	.28	.00
Bii) Add: Amortisation charged during the Current year	20.06	.28
Biii) Less: Amortisation on assets disposed		
Biv) Less: Amortisation on assets impaired		
Net Block (A-B)	**584.54**	**170.72**

Note: 5 **(₹ in lakhs)**

Capital Work-in-Progress:

Particulars	**As at 31st March,2026**	**As at 31st March,2025**
Closing Gross Block (Capital Work-in-Progress) (Ai+Aii+Aiii)	**1700.62**	**-**
Ai) Opening Gross Block	-	-
Aii) Additions during the year	1700.62	**-**
Aiii) Reclassification	-	-

Note: 6
Deferred Tax Assets **(₹ in lakhs)**

Particulars	**As at 31st March,2026**	**As at 31st March,2025**
Deferred tax (Liability)/Assets		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets, with respect to previous years	161.48	2.54
Current Year Adjustment of deferred Tax Asset on account difference between book balance and tax balance of fixed assets	57.49	158.94
Msme Section 43B(h) Adjustment	31.21	
Net deferred tax (liability) /Assets	**250.18**	**161.48**

- Effective from the financial year 2024–25, the Company has changed its method of calculating deferred tax from the **Profit and Loss (P&L) approach** to the **Balance Sheet approach** in accordance with the requirements of [specify applicable accounting standard, e.g., Ind AS 12 – Income Taxes or IAS 12 / local GAAP.

Note: 7
Financial Non-current Investment **(₹ in lakhs)**

Particulars	**As at 31st March,2026**	**As at 31st March,2025**
(a) Investment in Equity Instruments		
-Kwality Pharmaceuticals Africa Limitada	354.78	354.78
Total	**354.78**	**354.78**

Details of Subsidiary	
Name of Subsidiary	Kwality Pharmaceuticals Africa Limitada

Principal Activity	Import Export and marketing of pharmaceutical products of the company
Place of Incorporation	Mozambique, Maputo Cidade, Distrito Urbano 1, Bairro de Central, Africa
Principal Place of Business	Mozambique, Maputo Cidade, Distrito Urbano 1, Bairro de Central, Africa
Proportion of Ownership Interest/Voting rights held by the Company	51%

Note: 8

Other Non-Current Assets **(₹ in lakhs)**

Particulars	As at 31st March,2026	As at 31st March,2025
(a) Capital Advances		
- Secured, Considered Good		-
- Unsecured, Considered Good	1012.78	1152.96
- Doubtful		
(b) Security Deposits		
- Secured, Considered Good	132.45	465.80
- Unsecured, Considered Good		-
- Doubtful		-
(c) Loans & Advances to Related Parties	-	-
(d) Other Loans & Advances	-	-
(e) Other Non-Current Investments	-	-
Total	**1145.23**	**1618.76**

Note: 9

Inventories **(₹ in lakhs)**

Particulars	**As at 31st March,2026**	**As at 31st March,2025**
Inventory (incl. packing material) (a+b+c+d+e)		
(a) Raw Material	4799.12	5239.29
(b) Finished Goods	932.31	968.88
(c) Packing Material	1836.41	1894.64
(d) Work-in-Progress	226.77	217.97
(e) Consumable Stores or Spares	30.61	25.79
Total	**7825.23**	**8346.57**

Note: 10
Trade receivables **(₹ in lakhs)**

Particulars	**As at 31st March,2026**	**As at 31st March,2025**
Trade Receivables		
- Secured, considered good	-	-
- Unsecured, considered good	28121.97	15590.00
- which have significant increase in credit risk		
- Credit Impaired		
	28121.97	15590.00
Less: Provision for doubtful trade receivables		
	28121.97	15590.00
Total	**28121.97**	**15590.00**

Note 10 (a)Trade Receivables Ageing Schedule for the year ending 31st March,2026 **(₹ in lakhs)**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months to 1 year	1-2 years	2-3 years	More than 3 years	
Trade Receivables - Considered Good Secured	-	-	-	-	-	-
Trade Receivable - Considered Good Unsecured	24974.95	1463.91	1002.09	89.74	591.28	28121.97
Trade receivables which have significant increase in credit risk	-	-	-	-	-	-
Trade Receivables- Credit impaired	-	-	-	-	-	-
Total	**24974.95**	**1463.91**	**1002.09**	**89.74**	**591.28**	**28121.97**

Note :10 (b)Trade Receivables Ageing Schedule for the year ending 31st March,2025 **(₹ in lakhs)**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months to 1 year	1-2 years	2-3 years	More than 3 years	
Trade Receivables - Considered Good Secured	-	-	-	-	-	
Trade Receivable - Considered Good Unsecured	12547.50	1152.47	566.17	533.26	790.60	15590.00
Trade receivables which have significant increase in credit risk	-	-	-	-		
Trade Receivables - Credit impaired	-	-	-	-	-	-
Total	**12547.50**	**1152.47**	**566.17**	**533.26**	**790.60**	**15590.00**

❖ *The Trade receivables have been regrouped/reclassified as per prescribed IND AS format wherever necessary.*

Note: 11
Cash and cash equivalents **(₹ in lakhs)**

Particulars	**As at 31st March,2026**	**As at 31st March,2025**
(a) Balances with Banks		
- In Current Accounts	21.31	91.45
(b) Cash in Hand	46.97	13.84
(c) Cheque in hand	-	1050.00
Total	**68.28**	**1155.29**

Note: 12
Bank Balances other than Cash and cash equivalents **(₹ in lakhs)**

Particulars	**As at 31st March,2026**	**As at 31st March,2025**
Fixed Deposits with Banks	285.59	273.51
Total	**285.59**	**273.51**

Note: 13
Other Financial Current Assets **(₹ in lakhs)**

Particulars	**As at 31st March,2026**	**As at 31st March,2025**
IGST refundable against export	852.37	1279.37
Claim Receivable A/C	29.64	-
Total	**882.01**	**1279.37**

Note: 14

Other Current Assets **(₹ in lakhs)**

Particulars	As at 31st March,2026	As at 31st March,2025
Balances with Revenue Authorities	1785.21	995.03
Security Deposits	1.10	.36
Other Advances	56.08	52.97
Advances to Suppliers	1581.25	791.13
Advances to Staff	72.39	6.22
Total	**3496.04**	**1845.70**

- *The Other Current Assets have been regrouped/reclassified as per prescribed IND AS format wherever necessary*

Note: 15

Share Capital **(₹ in lakhs)**

* All figures in lacs except number of shares

Particulars	As at 31st March,2026		As at 31st March,2025	
	Number of shares	Value (Rs.)	Number of shares	Value (Rs.)
(a) Authorised				
Equity shares of Rs. 10 each with voting rights	16000000	1600.00	16000000	1600.00
	16000000	**1600.00**	**16000000**	**1600.00**
(b) Issued				
Equity shares of Rs. 10 each with voting rights	10376198	1037.62	10376198	1037.62
	10376198	**1037.62**	**10376198**	**1037.62**
(c) Subscribed and fully paid up				
Equity shares of Rs. 10 each with voting rights	10376198	1037.62	10376198	1037.62
	10376198	**1037.62**	**10376198**	**1037.62**
Total	**10376198**	**1037.62**	**10376198**	**1037.62**

15(a)Reconciliation of the number of the shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Closing Balance
Equity shares with voting rights			
Year ended 31st March 2026			
-Number of shares	10376198	-	10376198
-Amount (Rs. in Lacs)	1037.62	-	1037.62
Year ended 31st March 2025			
-Number of shares	10376198	-	10376198
-Amount (Rs. in Lacs)	1037.62	-	1037.62

15(b) Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of the equity share 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, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

15(c)Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2026		As at 31 March, 2025	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
1. Ramesh Kumar	2700632	26.03%	2698684	26.01%
2. Ajay Arora	1411579	13.60%	1410638	13.59%
3. Aditya Arora	1241039	11.96%	1240091	11.95%
4. Deepak Bansal	958746	9.24%	1103174	10.63%
Total	**6311996**	**60.83%**	**6452587**	**62.19%**

15(d)Detail of Shareholding by Promoters:

Promoter's Name	Shares held by Promoter at the end of the year				% of change during the year
	As at 31st March,2026		As at 31st March,2025		
	Number of shares held	% of holding in shares	Number of shares held	% of holding in shares	
1. Ramesh Kumar	2700632	26.03%	2698684	26.01%	0.07%
2. Ajay Arora	1411579	13.60%	1410638	13.59%	0.07%

Note: 16
Other Equity (₹ in lakhs)

Particulars	As at 31st March,2026	As at 31st March,2025
(a) Securities premium account		
Opening balance	846.77	846.77
Add: Premium on shares issued during the year		-
Less: Utilized during the year		-
Closing balance	**846.77**	**846.77**
(b) Retained Earnings		
Opening balance	24620.06	20630.12
Add: Profit / (Loss) for the year	6734.66	3988.97
Add: Prior-period adjustment relating to lease accounting under Ind AS 116, - Note 2.2 (n)	4.47	
Add: Other Comprehensive income for the period*	13.67	-.97
Add : Reclassification Adjustment during the Year	-	1.94

Closing balance	**31372.85**	**24620.06**
(c) Building Revaluation Reserve	80.00	80.00
Total	**32299.62**	**25546.82**

****Represents Remeasurement of Defined Benefit Obligations***

Note: 17

Long-term borrowings **(₹ in lakhs)**

Particulars	**As at 31st March,2026**	**As at 31st March,2025**
(a) Term loans		
From Banks	2940.02	1511.89
From other parties		**-**
	2940.02	**1511.89**
(b) Loans and advances from related parties		
Total	**2940.02**	**1511.89**

Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	**As at 31st March,2026**		**As at 31st March,2025**	
	Secured	**Unsecured**	**Secured**	**Unsecured**
Term loans from banks:				
Term loans	4499.89	**-**	2911.28	**-**
Less: Current maturities	-1559.87	**-**	-1399.39	**-**
Total - Term loans from banks	**2940.02**	-	**1511.89**	-
Term loans from other parties:	**-**	**-**	**-**	**-**
Total - Term loans from other parties	**-**	**-**	**-**	**-**
Loans and advances from related parties:	**-**	**-**	**-**	-
Total - Loans and advances from related parties	**-**	**-**	**-**	**-**

Terms of Borrowings:-

The nature of securities along with terms of repayment are as per details given below:

Sr. No.	Particulars	Terms of Repayment
1.	BBG- WC Term Loan (HDFC Bank)	The loan is to be repaid in 32 installments of Rs. 79.17 lacs each; commenced in February 2024. The total amount financed is Rs. 2245.00 lacs. The outstanding loan amount on 31st March 2026 is Rs.529.52lacs.
2.	BBG-WC Term Loans (HDFC Bank)	The Term Loan has an outstanding balance of Rs. 1112.710 lacs as on 31st March 2026.
3.	BMW Car Loan (HDFC Bank)	The loan is to be repaid in 60 installments of Rs. 2.37 lacs each; commenced in July 2022. The total amount financed is Rs. 117.90 lacs. The outstanding loan amount on 31st March 2026 is Rs. 35.86 lacs.
4.	Mercedes Car Loan (HDFC Bank)	The loan is to be repaid in 39 installments of Rs. 1.97 lacs each; commenced in March 2023. The total amount financed is Rs. 66.86 lacs. The outstanding loan amount on 31st March 2026 is Rs. 5.82lacs.
5.	Honda Amaze Car Loan (HDFC Bank)	The loan is to be repaid in 60 installments of Rs. 0.19 lacs each; commenced in January 2023. The total amount financed is Rs. 9.40 lacs. The outstanding loan amount on 31st March 2026 is Rs.3.93 lacs.
6.	Hyundai Creta Car Loan	The loan is to be repaid in 39 installments of Rs. 0.30 lacs each; commenced in December 2022. The total amount financed is Rs. 10.11 lacs. The outstanding loan amount on 31st March 2026 is Rs. 0.29 lacs.
7.	BBG-WCTL-GECL EXTN	The loan is to be repaid in 61 installments of Rs. 8.68 lacs each; sanctioned in May 2022. The total amount financed is Rs. 276.00 lacs. The outstanding loan amount on 31st March 2026 is Rs. 119.53lacs.
8.	Auto Loan (HDFC Bank)	The loan is to be repaid in 39 installments of Rs. 0.79 lacs each; commenced in August2024. The total amount financed is Rs. 26.93 lacs. The outstanding loan amount on 31st March 2026 is Rs. 14.67 lacs.
9.	Mercedes Car Loan (HDFC Bank)	The loan is to be repaid in 48 installments of Rs. 3.19 lacs each; commenced inDecember2024. The total amount financed is Rs. 130 lacs. The outstanding loan amount on 31st March 2026 is Rs. 92.97 lacs.
10.	EPC Limit (ICICI Bank)	The Amount of Limit sanctioned is Rs. 1500.00 lacs. The outstanding amount as on 31st March 2026 is Rs. 1256.72 lacs.
11.	Cash Credit Limit (HDFC Bank)	The amount of Limit sanctioned is Rs 7185 lacs. The outstanding amount as on 31st March 2026 is Rs. 5331.30 lacs.

12.	Cash Credit Limit (Axis Bank)	The amount of Limit sanctioned is Rs. 4000.00 lacs. The outstanding amount as on 31st March 2026 is Rs. 1958.12 lacs.
13.	ICICI Bank Ltd Bus Loan 00051101456.	The loan is to be repaid in 60 installments of Rs. 0.52 lacs each; commenced in June 2025. The total amount financed is Rs. 25 lacs. The outstanding loan amount on 31st March 2026 is Rs. 21.63 lacs.
14.	ICICI Bank Ltd Bus Loan 00051390821.	The loan is to be repaid in 60 installments of Rs. 0.52 lacs each; commenced in September 2025. The total amount financed is Rs. 25 lacs. The outstanding loan amount on 31st March 2026 is Rs. 22.66 lacs.
15.	ICICI Bank Ltd Bus Loan 00051546493.	The loan is to be repaid in 60 installments of Rs. 0.57 lacs each; commenced in November 2025. The total amount financed is Rs. 27.30 lacs. The outstanding loan amount on 31st March 2026 is Rs. 25.57lacs.
16.	Hdfc Bank Ltd Car Range Rover Loan A/C No.165844315	The loan is to be repaid in 60 installments of Rs. 5.08 lacs each; commenced in November 2025. The total amount financed is Rs. 251 lacs. The outstanding loan amount on 31st March 2026 is Rs. 228.71 lacs.
17.	Hdfc Bank Limited Term Loan A/C No.802210241	The Term Loan has an outstanding balance of Rs. 2141.51 lacs as on 31st March 2026.
18.	Hdfc Bank Limited Car Loan Mg A/C No.164244078	The loan is to be repaid in 39 installments of Rs. 0.44 lacs each; commenced in September 2025. The total amount financed is Rs. 15.10 lacs. The outstanding loan amount on 31st March 2026 is Rs. 12.70 lacs.
19.	Hdfc Bank Car Ertiga Loan A/C No.165846194	The loan is to be repaid in 40 installments of Rs. 0.29 lacs each; commenced in November 2025. The total amount financed is Rs. 10.09 lacs. The outstanding loan amount on 31st March 2026 is Rs. 8.98 lacs.
20.	Mercedes car loan A/C No. DF-A046547-000	The loan is to be repaid in 48 installments of Rs 3.16 lacs each;commenced in October 2025. The total amount financed is Rs.130 lacs. The outstanding loan amount on 31st March 2026 is Rs 122.75 lacs.

a. Vehicle Loans are secured by hypothecation of vehicles in favor of the Bank. Similarly, machinery term loans are secured by hypothecation of machinery in favor of the Bank.

b. Cash Credit, Term Loan, Pre-shipment, Post Shipment, FLC, PSL, PCFC and BG are secured by hypothecation of all types of stocks and other material at factory/godown or at other places as approved by the bank from time to time including goods in transit and receivables, i.e. stock and book debts; hypothecation of plant and machinery and FDR margin.

c. All the Loans and Advances from the bank, including Working Capital limits and other credit facilities from the Bank are collaterally secured by Equitable mortgage of the following properties:

i. Industrial Property bearing killa no. 152/5 (6-17), 152 (8-0), Khewat Khatoni No. 368/435, 581/761, Rakba 14K, 17M situated at Nag Kalan Amritsar, owned by Mr. Ramesh Arora and Mr. Ajay Arora, directors of the Company

ii. Industrial Property at Wakia 6 Mile Stone Village Nag Kalan, Majitha Road, Amritsar -143001 owned by the Company.

iii. Industrial Property at Plot No. 1A, Raja Ka Bagh, Kangra, Himachal Pradesh on long term lease from government of Himachal Pradesh.

iv. Industrial property at Hadbast No. 334, Situated at Rakba Village Nag-2, Tehsil Majitha, Near Kwality Pharmaceuticals, Amritsar, Punjab, 143601.

v. Residential Property situated at House No. 32, Opposite Police line, R.B. Parkash Chand Road, Amritsar, Panjab owned by Mr. Ramesh Arora and Mr. Ajay Arora.

vi. Immovable property at Bal Kalan, Majitha Road, Amritsar, Punjab-143001.

Note: 18
Provisions Non-current **(₹ in lakhs)**

Particulars	As at 31st March,2026	As at 31st March,2025
Provision for Defined Benefits Obligation (net)	118.32	25.17
Total	**118.32**	**25.17**

Note: 19
Other Non-current liabilities **(₹ in lakhs)**

Particulars	As at 31st March,2026	As at 31st March,2025
Capital Advances	594.50	-
Lease Liabilites	23.99	-
Total	**618.49**	**-**

Note: 20

Short-term borrowings **(₹ in lakhs)**

Particulars	**As at 31st March,2026**	**As at 31st March,2025**
(a) Loans repayable on demand		
From banks		
- Secured	**10106.04**	**9732.63**
- Unsecured	**-**	**-**
From Other Parties		
- Secured	**-**	**-**
- Unsecured	**-**	**-**
(b) Loans and Advances from Related Parties	**-**	**-**
Total	**10106.04**	**9732.63**

(i) Details of security for the secured short-term borrowings:

Cash Credit, Pre-shipment, Post Shipment, FLC, PSL, PCFC and BG are secured by hypothecation of all types of stocks and other material at factory/godown or at other places as approved by the bank from time to time including goods in transit and receivables, i.e., stock and book debts; hypothecation of plant and machinery and FDR margin and collaterally secured by equitable mortgage of the properties.

(ii) Details of the short-term borrowings: **(₹ in lakhs)**

Particulars	**As at 31st March,2026**	**As at 31st March,2025**
Working Capital Limits	8546.17	8333.24
Term Loans (with current maturities)	1559.87	1399.39
Total	**10106.04**	**9732.63**

Note:21 Trade payables **(₹ in lakhs)**

Particulars	As at 31st March,2026	As at 31st March,2025
Trade Payables		
- Payable to MSME	1916.25	2117.99
- Payable to Others	8252.41	3461.35
Total	**10168.65**	**5579.34**

Note:21(a)
Trade Payables Ageing Schedule for the year end 31st March,2026

Particulars	Outstanding for following periods from due date of payment				Total (₹ in lakhs)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	1916.25	-	-	-	1916.25
Others	8178.58	20.97	44.89	7.97	8252.41
Disputed dues- MSME	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-
Total	**10094.83**	**20.97**	**44.89**	**7.97**	**10168.65**

Note :21(b)
Trade Payables Ageing Schedule for the year ending 31st March,2025

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	2050.71	59.07	8.22	-	**2117.99**
Others	3399.42	61.39	.33	. 21	**3461.35**
Disputed dues- MSME	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-
Total	**5450.13**	**120.45**	**8.55**	**.21**	**5579.34**

Note: 22

Other Financial current liabilities **(₹ in lakhs)**

Particulars	As at 31st March,2026	As at 31st March,2025
(a) Security Deposits	-	-
(b) Interest accrued but not due on Borrowings	21.58	16.12
(c) Statutory Dues	190.51	94.24
(d) Others	315.88	390.21
Total	**527.96**	**500.58**

Note: 23

Other Current Liabilities **(₹ in lakhs)**

Particulars	As at 31st March,2026	As at 31st March,2025
Advances from Customers	879.23	497.03
Other Advances	-	-
Unspent Portion of CSR	-	30.93
Provision For Interest Paid To Msme	11.02	.42
Current Portion of Lease liabilities	.06	-
Total	**890.32**	**528.38**

Note: 24

Provisions-Current **(₹ in lakhs)**

Particulars	As at 31st March,2026	As at 31st March,2025
Provision for Defined Benefits Obligation (net)	39.30	16.49
Total	**39.30**	**16.49**

Note: 25
Current Tax Liability (net) **(₹ in lakhs)**

Particulars	As at 31st March,2026	As at 31st March,2025
Provision for Income Tax (net)*	819.73	593.08
Total	**819.73**	**593.08**

** Current year figure is net of the Provision against Taxes paid in form of Advance Tax(es)*

Note: 26
Revenue from operations

(₹ in lakhs)

Particulars	As at 31st March,2026	As at 31st March,2025
Export Turnover	24979.72	19543.82
Domestic Turnover	25326.18	17475.88
Total	**50305.89**	**37019.70**

Note: 27
Other Income **(₹ in lakhs)**

	As at 31st March,2026	As at 31st March,2025
Interest on FDR	12.54	16.17
Duty Drawback	202.10	144.55
Other Income	-	20.72
Profit/Loss on Sale of Asset	71.22	2.84
Foreign Exchange Fluctuation	-	7.73
Total	**285.86**	**192.01**

Note: 28
Cost of materials consumed (₹ in lakhs)

Particulars	As at 31st March,2026	As at 31st March,2025
Opening Stock		
-Raw Material	5239.29	4863.82
-Packing Material of Pharma products	1894.64	1645.63
Add: Purchase		
-Raw Material	15741.57	10287.79
-Packing Material of Pharma products	7841.05	6877.92
Less: Closing Stock		
-Raw Material	4799.12	5239.29
-Packing Material of Pharma products	1836.41	1894.64
Total	**24081.02**	**16541.24**

Note: 29
Purchase of Stock-In-Trade (₹ in lakhs)

Particulars	As at 31st March,2026	As at 31st March,2025
Finished goods	1734.63	1590.16
Total	**1734.63**	**1590.16**

Note: 30
Changes in Inventory of Finished Goods, Work In Progress And Stock-in-Trade
(₹ in lakhs)

Particulars	**As at 31st March,2026**	**As at 31st March,2025**
Opening Stock		
-Finished goods	968.88	1102.59
-Work-in-Progress	217.97	201.50
Less: Closing Stock		
-Finished goods	932.31	968.88
-Work-in-Progress	226.77	217.97
Total	**27.77**	**117.24**

Note: 31
Employees benefits expenses **(₹ in lakhs)**

Particulars	**As at 31st March,2026**	**As at 31stMarch,2025**
Salaries and wages	4685.21	3797.12
Directors Remuneration	294.00	252.00
Contributions to provident and other funds	172.50	121.96
Staff welfare expenses(Food-lodging & medical)	204.95	171.92
Current Service Cost	41.94	30.85
Past Service Cost*	-	
Net Interest cost on Defined Benefit Obligation	5.24	2.12
Total	**5403.84**	**4375.98**

*Additional labour dues (Past Service Cost) amounting to ₹82.94 lakh arising pursuant notification of the four Labour Codes – the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 is disclosed separately under "Exceptional Item" in **Note No :34** and are not included in the above employee benefits expense.

Note: 32
Finance Cost

(₹ in lakhs)

Particulars	As at 31st March,2026	As at 31st March,2025
Bank interest and other expenses	1062.75	971.25
Interest expense on lease liabilities	2.11	
Interest Accrued but not due on borrowings	21.58	16.12
Interest Paid To MSME	10.60	.42
Total	**1097.04**	**987.79**

Note: 33
Other expenses (₹ in lakhs)

Particulars	As at 31st March,2026	As at 31st March,2025
Administrative Expense	376.32	240.29
Auditor's Remuneration:		
- As Auditors	8.00	8.00
- For other services	5.42	4.50
Communication Expense	8.90	14.02
Advertisement & Publicity Expense	324.52	168.10
Other Expense	43.15	51.15
Fees And Taxes	181.65	141.02
Distribution Expenses	1415.15	1496.78
Power, Fuel & Electricity	2669.12	2337.31
Legal And Professional Charges	222.91	193.85
Repair And Maintenance	755.23	572.54
Testing And Laboratory Charges	132.97	273.91
Corporate Social Responsibility	74.30	152.03
Factory Expense	151.31	213.65
Hotel And Accommodation Expense	60.23	46.85
House Keeping Expense	84.93	71.18
Insurance	172.08	146.66
Travelling Expense	173.79	57.27
Commission Expense	363.97	157.25
Director's Sitting Fees	7.50	4.37
Foreign Currency Fluctuation	4.37	-
Total	**7235.82**	**6350.74**

34. Exceptional Items

Particulars	As at 31st March,2026	As at 31st March,2025
Past Service Cost -Note 2.2(m)	82.94	-
Total	**82.94**	**-**

35. Contingent Liabilities and Pending Litigations-

➢ **Contingent Liabilities-**

Pending Litigations	As at 31st March,2026	As at 31st March,2025
Details pertaining to ongoing litigation are provided below:	3697.75	3697.75

➢ **Pending Litigations**

According to the information and explanations given to us, details of Income tax, Goods and Service tax, Customs Duty, Excise Duty and Value Added Tax, the amounts that may be required to be deposited on account of show cause notice or demands raised and pending. The Details are as under:

1. As informed to us and based on the records examined, an order bearing No. 14/GST/ADC/JAL/2024-2025 has been received by the Company under Section 74(9) of the Central Goods and Services Tax Act, 2017, read with Section 20 of the Integrated Goods and Services Tax Act, 2017, raising a demand of ₹3,15,02,758/- towards alleged erroneous refund of IGST for the financial years 2017–18 to 2022–23. Further, a penalty of an equivalent amount of ₹3,15,02,758/- has also been levied under the same provisions. Interest under Section 74(9) read with Section 50 of the CGST Act, 2017 and Section 20 of the IGST Act, 2017 has also been levied, though not quantified in the said order.

   As represented to us, the Company had filed an appeal before the Commissioner of Appeals CGST under CGST Act, 2017 challenging the said order. Commissioner of Appeals has dismissed the said Appeal in favour of revenue and further the company has filed civil writ petition against the said order with Punjab and Haryana high court for stay of order (Appeal No. CWP-12033-2026) Accordingly, the total disputed amount of ₹6,30,05,516/- (comprising tax and penalty) is under litigation and remains pending as on the reporting date.

2. The Company has received a Show Cause Notice bearing no. AE/51/2024-25 for the financial years 2017–18 to 2022–23 under Section 74& 122 of the Central Goods and Services Tax Act, 2017. The notice alleges wrongful availment and utilization of Input Tax Credit (ITC) amounting to

₹15,13,03,420/- (Rupees Fifteen Crores Thirteen Lakhs Three Thousand Four Hundred Twenty only). Further, a penalty of ₹15,13,03,420/- has been proposed under Section 74(1) read with Section 122(2)(b). Accordingly, the total disputed amount proposed in the Show Cause Notice is Rs. 30,26,06,840/- (Demand &Penalty)

The company has filed a civil writ petition in the Punjab and Haryana high court bearing no CWP-34165-2024 against the said show cause notice. Hon'ble Punjab and Haryana high court has stayed the passing of adjudication order in pursuance to the show cause notice and the show cause notice is thus under litigation and remains pending as on the reporting date.

3. As per the information and explanations given to us and based on the records examined, the Company has received orders dated **30/12/2024** in Form DRC-07 from the Goods and Services Tax (GST) Department under Section 74 of the Central Goods and Services Tax Act, 2017, in respect of wrongly availed and passed on Input Tax Credit (ITC). The summary of the demands raised is as follows:

- For the financial year 2017–18, no tax was levied; however, a penalty of ₹2,80,695 /-was imposed.
- For the financial year 2019–20, a demand of ₹6,74,856/-each towards tax and penalty was raised.
- For the financial year 2020–21, a demand of ₹12,62,160 /-towards tax and ₹12,70,485/- towards penalty was raised.

The Company has filed appeals before the appropriate appellate authority under the GST Commissionerate in all the above cases, and the proceedings are pending as on the date of this report. The matter is currently under dispute and remains pending as on the reporting date..

36. Earnings Per Share

Particulars	As at 31st March,2026	As at 31st March,2025
Profit / (loss) for the year (₹ in Lacs) - used as numerator for calculating earnings per share	6734.66	3988.97
Number of shares used in computing basic and diluted earnings per share	**1,03,76,198**	**1,03,76,198**
Face value per share (in ₹)	10.00	10.00
Basic earnings per share (in ₹)	64.90	38.44
Diluted earnings per share (in ₹)	64.90	38.44

37. Disclosures under the MSMED Act, 2006:

Particulars	As at 31st March,2026	As at 31st March,2025
Principal Amount that has been unpaid to any supplier as at the period end	1916.25	2117.99
Interest due on above	-	-
Amount of interest due and payable for the period of delay	-	-
Amount of interest accrued and remaining unpaid as at year end	11.02	0.42
Amount of further interest remaining due and payable in the succeeding year	-	-

38. Financial Risk Management:

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

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, loans and investments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Company grants credit terms in the normal course of business.

It is evident from the Note No. 10 of Notes forming Part of Standalone Financial Statements that company is managing its credit risk efficiently.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Current ratio of the company calculated later in the report is the true indicator of the management of the Liquidity risk by the company.

Foreign Exchange Risk

The Company's foreign exchange risk arises from its foreign operations, foreign currency revenues and expenses.

In the Current year, Company has charged loss due to Foreign Exchafnge Fluctuations of Rs 4.37 whereas there was income of Rs. 7.73 Lacs in the previous year.

The Company has below stated Foreign Exchange Exposure which was not hedged as on Balance Sheet date:

Particulars	As at 31st March,2026		As at 31st March,2025	
	Amount in Foreign Currency (in USD) (in Lacs)	Amount in ₹ (in Lacs)	Amount in Foreign Currency (in USD) (in Lacs)	Amount in ₹ (in Lacs)
Trade Payables	1.81	171.24	0.94	80.67
Trade Receivables	164.28	15550.18	90.27	7712.22

Particulars	As at 31st March,2026		As at 31st March,2025	
	Amount in Foreign Currency (in Euro) (in Lacs)	Amount in ₹ (in Lacs)	Amount in Foreign Currency (in Euro) (in Lacs)	Amount in ₹ (in Lacs)
Trade Payables	-	-	-	-
Trade Receivables	0.05	5.45	2.88	266.35

Particulars	As at 31st March,2026		As at 31st March,2025	
	Amount in Foreign Currency (in AED) (in Lacs)	Amount in ₹ (in Lacs)	Amount in Foreign Currency (in AED) (in Lacs)	Amount in ₹ (in Lacs)
Trade Payables	-	-	-	-
Trade Receivables	1.69	43.42	5.29	123.26

39. Employee Benefits

a) Defined Contribution Plans

The Company is regular in making contributions to Recognised Provident Fund (RPF), Employees State Insurance Scheme (ESIC) and other funds including Labour Welfare Fund for all regular employees or workers.

The amount of contributions to these funds are recognised as expense under the head “Employee Benefit Expenses” in the Statement of Profit and Loss as under:

(₹ in lakhs)

Particulars	As at 31st March,2026	As at 31st March,2025
Contribution to Recognised Provident Funds	139.58	95.30
Contribution to Employee State Insurance Corporation	32.92	26.66

b) Defined Benefit Plans

Gratuity

The company made contributions to Life insurance Company in respect of the Gratuity. Under Gratuity Act, Employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment.

Gratuity is classified as Defined Benefit plan as enterprise's obligation is to provide agreed benefits, subject to minimum benefits as subscribed by the Payment of Gratuity Act, to plan members. Actuarial & Investment risks are borne by the enterprise.

The Net Defined Benefit Liability/(Asset) is the Net (Surplus)/Deficit in the plan netted off by effect of Asset Ceiling, if any. It is arrived by deducting Fair Value of Plan Assets from the Defined Benefit Obligation as on the date of valuation.

As required under Para 67 of Ind AS 19 actuarial valuation is done using Projected Unit Credit Method. Under this method, only benefits accrued till the date of valuation (i.e. based on service upto date of valuation) are to be considered for valuation. Present value of Defined Benefit Obligation is calculated by projecting salaries, exits due to death, resignation and other decrements, if any, and project the benefit till the time of retirement of each active member using assumed rates of salary escalation, mortality &

employee turnover rates. The expected benefit payments are then discounted back from the future date of payment to the date of valuation using the assumed discount rate.

'Service Cost' is calculated separately in respect of benefit accrued during the current period using the same method as described above. However, instead of all accrued benefits, benefit accrued over the current reporting period is considered.

(₹ in lakhs)

Amount recognised in statement of Financial Position at Period End	**As at 31st March,2026**	**As at 31st March,2025**
Present Value of Unfunded Defined Benefit Obligation	283.52	159.11
Fair value of Plan Assets	125.90	117.45
Net Defined Benefit (Asset)/Liability Recognised in Statement of Financial Position	**157.62**	**41.66**

(₹ in lakhs)

Net Defined Benefit Cost/(Income) included in Statement of Profit & Loss at Period-End	**From 31st March,2025 to 31st March,2026**	**From 31st March,2024 to 31st March,2025**
Service Cost	41.94	30.85
Net Interest Cost	5.24	2.12
Past Service Cost	82.94	-
Total Defined Benefit Cost/(Income) included in Profit & Loss	**130.13**	**32.98**

(₹ in lakhs)

Current / Non-Current Bifurcation	**31st March,2026**	**31st March,2025**
Current Benefit Obligation	39.30	16.49
Non - Current Benefit Obligation	244.22	142.62
(Asset)/Liability Recognised in the Balance Sheet	**283.52**	**159.11**

(₹ in lakhs)

Analysis of Amounts Recognised in Other Comprehensive (Income)/Loss at Period-End	**From 31st March,2025 to 31st March,2026**	**From 31st March,2024 to 31st March,2025**
Amount recognized in OCI, Beginning of Period	5.43	6.40
Remeasurements due to :		
Effect of Change in financial assumptions	- 7.91	3.29
Effect of Change in demographic assumptions	-	-
Effect of experience adjustments	-5.77	3.27
(Gain)/Loss on Curtailments/Settlements	-	-
Return on plan assets (excluding interest)	-	-7.52
Changes in asset ceiling	-	-
Total remeasurements recognized in OCI	**-13.67**	**-.97**
Amount recognized in OCI, End of Period	**-8.24**	**5.43**

(₹ in lakhs)

Change in Defined Benefit Obligation during the Period	**From 31st March,2025 to 31st March,2026**	**From 31st March,2024 to 31st March,2025**
Defined Benefit Obligation, Beginning of Period	159.11	113.65
Net Current Service Cost	41.94	30.85
Interest Cost on DBO	13.20	8.06
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	- 13.67	6.55
Changes in Foreign Currency Exchange Rates	-	-
Acquisition/Business Combination/Divestiture	-	-
Benefits Paid	-	-
Past Service Cost	82.94	-
Losses / (Gains) on Curtailments/Settlements	-	-
Defined Benefit Obligation, End of Period	**283.52**	**159.11**

(₹ in lakhs)

Change in Fair value of Plan Assets during the Period	**From 31st March,2025 to 31st March,2026**	**From 31st March,2024 to 31st March,2025**
Fair value of Plan Assets, Beginning of Period	117.45	83.70
Interest Income Plan Assets	7.95	5.93
Actual Company Contributions	.50	20.29
Actual Plan Participants' Contributions	-	-
Actual Taxes Paid	-	-
Actual Administration Expenses Paid	-	-
Changes in Foreign Currency Exchange Rates	-	-
Actuarial Gains/(Losses)	-	7.52

Benefits Paid	-	-
Acquisition/Business Combination/Divestiture	-	-
Assets extinguished on Settlements/Curtailments	-	-
Fair value of Plan Assets, End of Period	**125.90**	**117.45**

(₹ in lakhs)

Reconciliation of Balance sheet Amount	**From 31st March,2025 to 31st March,2026**	**From 31st March,2024 to 31st March,2025**
Balance Sheet (Asset)/Liability, Beginning of Period	41.66	29.94
True-up	-	-
Total Charge/(Credit) Recognised in Profit and Loss	130.13	32.98
Total Remeasurements Recognised in OC (Income)/Loss	-13.67	-.97
Acquisitions/Business Combinations/Divestitures	-	-
Actual Company Contribution / Benefit Payouts Directly by the Company	-.50	-20.29
Other Events	-	-
Balance Sheet (Asset)/Liability, End of Period	**157.62**	**41.66**

Demographic Assumptions Used to Determine the Defined Benefit Obligation	**From 31st March,2025 to 31st March,2026**	**From 31st March,2024 to 31st March,2025**

Withdrawal Rate	For service upto 3 years: 20% Thereafter: 10%	For service upto 3 years: 20% Thereafter: 10%
Mortality Rate	IALM (2012-14) Ult	IALM (2012-14) Ult
Retirement Age	60 years	60 years

Asset Category

Particulars	As at 31st March,2026	As at 31st March,2026	As at 31st March,2026
	Quoted Value	Non-Quoted Value	Total
Government of India Securities (Central and State)	-	-	-
High quality corporate bonds (including Public Sector Bonds)	-	-	-
Equity shares of the Company	-	-	-
Insurer Managed Funds & T-bills	-	100.00%	100.00%
Cash (including Bank Balance, Special Deposit Scheme)	-	-	-
Others	-	-	-

The scheme is funded through an 'Approved Trust'. The Trust has taken a Policy from the Life Insurance Corporation of India (LIC) and the management of the fund is undertaken by the LIC. We have been provided with the fund size of Rs.12,590,013 as of the valuation date.

Sensitivity Analysis

Particulars	As at 31st March,2026	As at 31st March,2025

Defined Benefit Obligation - Discount Rate + 100 basis points	-15.91	-9.88
Defined Benefit Obligation - Discount Rate - 100 basis points	17.88	11.14
Defined Benefit Obligation - Salary Escalation Rate + 100 basis points	19.65	12.14
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	-17.76	-10.94

40. Ratios

Particulars	Current Year 31st March 2026			Previous Year 31st March 2025			Variation (in%)	Reasons for variation
	Numerator	Denominator	Ratio	Numerator	Denominator	Ratio		
Current Ratio	40679.11	22552.00	1.80	28490.44	16950.50	1.68	7.37%	The ratio has not been affected to major extent
Debt Equity Ratio	13046.06	33337.24	0.39	11244.53	26584.44	0.42	-8.99%	The ratio has been affected to due to increase in debt & increase in profit.
Debt Service Coverage Ratio	9822.85	2465.35	3.98	6799.77	2323.44	2.93	35.84%	The ratio has been affected to due to increase in profit.
Return on Equity	6734.66	33337.24	20.20%	3988.97	26584.44	15.00%	34.68%	The increase in Return on Equity is due to higher profitability and efficient use of shareholders' funds

Inventory Turnover	24081.02	8085.90	2.98	16541.24	8092.65	2.04	45.99%	The ratio has been affected due to increase in inventory rotation & increase in cost of consumption.
Trade Receivables Turnover Ratio	50305.89	21855.99	2.30	37019.70	13594.00	2.72	-15.38%	The ratio has been affected due to increase in receivable in comparison to turnover.
Trade Payables Turnover Ratio	25317.25	7874.00	3.22	18755.88	5005.53	3.75	-14.26%	The ratio has been affected due to increase in payables in comparison to purchase.
Working Capital turnover Ratio	50305.89	18127.12	2.78	37019.70	11539.93	3.21	-13.55%	The ratio has been affected due to increase in working capital requirements as a result of increase in receivable in comparison to turnover.
Net Profit Ratio	6734.66	50305.89	13.39%	3988.97	37019.70	10.78%	24.24%	Increased mainly due to higher revenue and improved cost efficiency
Return on Capital Employed	10046.31	46133.11	21.78%	6410.49	37667.49	17.02%	27.96%	The variation is due to increase in reserve and surplus .

Return on Investment	10046.31	46133.11	21.78%	6410.49	37667.49	17.02%	27.96%	The variation is due to increase in reserve and surplus .

41. Related Party Disclosures

Name of the Parties	Designation
Mr. Ramesh Kumar	Managing Director
Mr. Ajay Kumar Arora	Whole Time Director
Mr. Aditya Arora	Whole Time Director
Mrs. Geeta Arora	Whole Time Director
Mrs. Anju Arora	Whole Time Director
Mrs. Kanika Arora	Relative of Director
Mrs. Aastha Seth	Relative of Director
Mrs. Geetika Thukral (Geetika Arora)	Relative of Director
Mr. Kiran Kumar Verma	Independent Director
Mr. Pankaj Takkar	Independent Director
Mr. Ravi Shanker Singh	Independent Director
Mr. Kartik Kapur	Independent Director
Mr. Prashanth Vellanki	Independent Director
Mr. Vinod Kumar Sharma	Independent Director
Mr. Preetmohinder Singh Bedi	Independent Director
Mr. Bhavesh Mahajan	Independent Director
Kwality Pharmaceuticals Africa Limitada	Subsidiary
Iair Infocom Private Limited	Director Interested
Kaler Biopharmachem Private Limited	Director Interested

Name of the Related Parties	As at 31st March,2026	As at 31st March,2025
Transactions with Related Party		
Remuneration:		
Mr. Ramesh Kumar	84.00	72.00
Mr. Ajay Kumar Arora	84.00	72.00
Mr. Aditya Arora	54.00	48.00

Mrs. Geeta Arora	36.00	30.00
Mrs. Anju Arora	36.00	30.00
Mrs. Kanika Arora	3.00	3.00
Mrs. Aastha Seth	4.20	4.20
Mrs. Geetika Thukral (Geetika Arora)	6.00	6.00
Rent:		
Mr. Ramesh Kumar	1.08	1.08
Mr. Ajay Kumar Arora	1.08	1.08
Director Sitting Fees		
Mr. Kiran Kumar Verma	1.05	1.80
Mr. Pankaj Takkar	1.65	1.87
Mr. Ravi Shanker Singh	0.30	0.45
Mr. Kartik Kapur	0.10	0.15
Mr. Prashanth Vellanki	0.10	0.10
Mr. Preet Mohinder Bedi	1.00	-
Mr. Vinod Kumar Sharma	3.00	-
Mr. Bhavesh Mahajan	0.30	-
	-	-
Balances with Related Parties at year end		
Subsidiary:		
Kwality Pharmaceuticals Africa Limitada (in form of Investment)	354.78	354.78
Kwality Pharmaceuticals Africa Limitada (in form of Debtors)	116.73	159.42
Other Related Party Transactions		
Iair Infocom Private Limited (Purchase of services)	20.25	-
Kaler Biopharmachem Private Limited (Sale of goods)	121.48	-
Kaler Biopharmachem Private Limited (Sale return)	262.75	-
Kwality Pharmaceuticals Africa Limitada (Sale of Goods)	26.68	-
Iair Infocom Private Limited (Sales of Machine & Spares)	6.40	-

42.ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III OF COMPANIES ACT, 2013:

a) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

b) Details of Benami Property held - No proceeding has been initiated or pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act,1988 (45 of 1988) and the rules made thereunder.

c) There has been no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

d) Utilisation of Borrowed funds: The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) 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 (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

e) Willful Defaulter - The Company is not declared willful defaulter by any bank or financial Institution or other lender during the year.

f) Registration of charges or satisfaction with Registrar of Companies - During the year, the Company has complied with the requirements for registration of charges on the assets of the company with the Registrar of Companies.

g) Disclosures in respect of Corporate Social Expenditure as per Companies Act,2013:

(₹ in lakhs)

CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE	As at 31st March,2026	As at 31st March,2025
(a) Amount required to be spent by the Company during the year	74.30	145.94
(b) Amount of expenditure incurred on		
(i) construction/acquisition of any asset	15.75	-
(ii) on purpose other than (i) above	58.55	145.96
(c) (Shortfall)/ excess at the end of year	-	0.02
(d) Total of previous years(shortfall)/excess	-	-30.93
(e) Reason for shortfall	N.A.	Spending towards ongoing projects
(f) Nature of CSR activities	**	**

(g) Details of related party transactions in relation to CSR expenditure	NIL	NIL
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	-	-

***** Promoting Education & Healthcare, Eradication of Hunger & Poverty, Special education and enhancing skills among differently abled children, Construction of school building for special children, Promoting Education of Poor Children, protection of flora & fauna, animal welfare and skill development & enhancing employment.***

During FY 2025-26, the Company also utilized ₹30.93 lakh from the Unspent CSR Account pertaining to FY 2023-24 towards ongoing projects in accordance with Section 135 of the Companies Act, 2013.

h) The Company does not have any transactions with struck-off companies.

i) The Company has not traded or invested in crypto-currency or virtual currency during the current or previous year.

j) The previous year's figures have been regrouped wherever necessary to make them comparable to the current year's figures.

For VIJAY MEHRA & CO.
Chartered Accountants
(Firm's Registration No. 001051N)

Sd/-
CA AMIT HANDA
Partner
M. No: 502400
UDIN:- 26502400OKQXSI9034

Place: Amritsar
Date: 19-05-2026

For and on behalf of the Board of directors

Sd/-
Ramesh Kumar
Managing director
DIN:00462656

Sd/-
Ajay Kumar Arora
Whole time director
DIN:00462664

Sd/-
Gurpreet Kaur
Company Secretary

Sd/-
Aditya Arora
Whole time Director & CFO
DIN:07320410

INDEPENDENT AUDITORS' REPORT FOR THE CONSOLIDATED FINANCIAL STATEMENTS OF KWALITY PHARMACEUTICALS LIMITED

To

The Members of
Kwality Pharmaceuticals Limited.

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **KWALITY PHARMACEUTICALS LIMITED** (hereinafter referred to as "the Holding Company") and its foreign subsidiary (the Holding Company and its foreign subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at **31st March 2026**, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Statement of changes in equity and the Consolidated Cash Flow Statement for the year then ended, notes to Consolidated Financial Statement summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of information of the subsidiary as referred to in the "Other Matters" paragraph below, the aforesaid consolidated 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 Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2026, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of

Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other Than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, the Board's Report including Annexures to the Board's Report, Business Responsibility Report, Corporate Governance Report, and Shareholder's Information but does not include the Consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the Consolidated 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 Consolidated Ind AS 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group and its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate for preventing and detecting frauds and other irregularities; the 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for The Audit of The Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatements, 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 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 Consolidated financial statements.

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

We also:

a) Identify and assess the risks of material misstatement of the Consolidated 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 control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiaries incorporated in India has adequate internal financial controls system in place and the operating effectiveness of such controls.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) 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 ability of the Group 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 Consolidated 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 Group to cease to continue as a going concern.

e) Evaluate the overall presentation, structure, and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements of such entities included in the Consolidated financial statements of which we are the independent auditors. For the other entities included in the Consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision, and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

g) We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated financial statements of which we are the independent auditors 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.

h) 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.

i) From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS financial statements of the current period 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.

Other Matters

We did not audit the financial statements of the foreign subsidiary, **KWALITY PHARMACEUTICALS AFRICA LIMITADA,** whose financial statements reflect total assets of**₹ 126.36 Lacs** as at March 31, 2026 (P.Y. ₹ **169.34** lacs), Total Revenue generated during the year **₹29.12 lacs** (P.Y. ₹ 0.00 lacs), Net loss amounts to **₹ 0.06 Lacs** (P.Y. Loss **₹ 8.71 Lacs**) and net cash outflow amounting to **₹ 41.37 lacs** (P.Y. cash outflow of **₹ 43.87 lacs)** for the year ended on that date, as considered in the consolidated financial statements. The unaudited Financial Results on financial statements/Financial Results/financial information of these entities have been furnished to us by the Board of Directors and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on such unaudited Financial Results. In our Opinion and according to the information and explanations given to us by the Board of Directors, these financial statements are not material to the group.

Our opinion on the Consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the written representations and explanations given by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the afore said Consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the afore said consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

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

f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure A”.

g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197 of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of section 197 of 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 Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(a) The Group has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements in notes to the Consolidated financial statements.

(b) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(c) The Group has transferred the required amount of unclaimed dividends and shares u/s 124(6) to Investor Education and Protection Fund.

(d) The clause (d) of Rule 11 has been omitted w.e.f. 01.04.2021.

(e)

(i) The respective Managements of the Company and its subsidiary, Holding Company’s financial statements have been audited under the Act, has represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities (“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.

(ii) The respective Managements of the Company(incorporated in India) and its subsidiary, Holding Company's financial statements have been audited under the Act, has represented to us, that, to the best of their knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities ("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 and

(iii) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances on the Company (incorporated in India) and its subsidiary, Holding Company's financial statements have been audited under the Act, nothing has come to the notice that has caused them to believe that the representations made to us under sub-clause (i) and (ii) above, contain any material misstatements.

(f) The Company has neither declared nor paid any dividend during the year.

(g) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us for the Holding Company, we report that there are no qualifications or adverse remarks in the CARO report.

For VIJAY MEHRA & CO.
Chartered Accountants
(Firm's Registration No. 001051N)

Sd/-
CA AMIT HANDA
Partner
M. No: 502400
UDIN:- 26502400RQHPPT7813

Place: Amritsar
Date: 19-05-2026

“Annexure- A” to the Auditors’ Report

(Referred to in point (f) under “Report on other legal and regulatory requirements” of our audit report of even date)

Report on the Internal Financial Controls under Clause (i) of Subsection 3, of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Control over financial reporting **of KWALITY PHARMACEUTICALS LIMITED** (“the Holding Company”) as of **31st March, 2026** in conjunction with our audit of the consolidated financial statements of the Holding Company and its subsidiary company incorporated outside India as of that date, of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective entities 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 respective 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 Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial control 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 prescribed under Section 143(10) of the Act, 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 ICAI. 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 was 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 with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control 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 Consolidated 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 internal financial controls system over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls over Financial reporting with reference to these Consolidated Financial Statements

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 reflected transaction and dispositions of the assets of the company;

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

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

Inherent limitation of internal financial control over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, 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 with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements 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 holding company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial control financial reporting were operating effectively as at 31 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 Control over financial reporting issued by the ICAI.

For VIJAY MEHRA & CO.
Chartered Accountants
(Firm's Registration No. 001051N)

Sd/-
CA AMIT HANDA
Partner
M. No: 502400
UDIN:- 26502400RQHPPT7813

Place: Amritsar
Date: 19-05-2026

KWALITY PHARMACEUTICALS LIMITED
Regd.Office.:- VILLAGE NAGKALAN, MAJITHA ROAD, AMRITSAR, PUNJAB – 143601
CIN :- L24232PB1983PLC005426; Phone no. :- 8558820862
Email Id:- ramesh@kwalitypharma.com; Website :- www.kwalitypharma.com

Consolidated Balance Sheet as at 31st March 2026

(₹ in Lakhs)

	Particulars	Note No.	As at 31st March 2026	As at 31st March 2025
			(Audited)	(Audited)
I	**ASSETS**			
A	**Non-current assets**			
	(a) Property Plant and Equipment	3	14972.59	14398.45
	(b) Intangible assets	4	584.54	170.72
	(c) Capital work-in-progress	5	1700.62	-
	(d) Deferred tax Assets	6	250.18	161.48
			17507.93	**14730.65**
	(e)Financial Assets:			
	(i) Investments		.00	.00
	(f) Other non-current assets	7	1145.23	1618.76
	Total Non-current Assets (A)		**18653.16**	**16349.41**
B	**Current assets**			
	(a) Inventories	8	7825.23	8346.57
	(b) Financial Assets:			
	(i) Trade receivables	9	28005.24	15430.58
	(ii) Cash and Bank Balances	10	73.64	1202.02
	(iii) Bank Balances other than (ii) above	11	285.59	273.51
	(iv) Other Current Financial Assets	12	882.01	1279.37
	(c) Other current assets	13	3496.04	1845.70
	Total Current Assets (B)		**40567.75**	**28377.75**
	TOTAL ASSETS (A+B)		**59220.91**	**44727.16**

II	**EQUITY AND LIABILITIES**			
A	**Equity**			
	(a) Share capital	14	1037.62	1037.62
	(b) Other Equity	15	32121.94	25367.21
	Total Equity attributable to Equity Holders of the company		33159.56	26404.83
	(c) Non Controlling Interests		- 167.47	- 165.24
	Total Equity (A)		**32992.09**	**26239.59**
B	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	16	2940.02	1511.89
	(b) Provisions-Non current	17	118.32	25.17
	(c) Deferred tax liabilities (net)		.00	.00
	(d) Other Non-Current Liabilities	18	618.49	.00
	Total Non- current liabilities (B)		**3676.82**	**1537.07**
C	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	19	10106.04	9732.63
	(ii) Trade payables			
	-Total outstanding dues of micro enterprises and small enterprises	20	1916.25	2117.99
	-Total outstanding dues of other than micro enterprises and small enterprises	20	8252.41	3461.35
	(iii) Other Current Financial liabilities	21	527.96	500.58
	(b) Other Current Liabilities	22	890.32	528.38
	(c) Provisions-Current	23	39.30	16.49
	(d) Current Tax Liabilities (net)	24	819.73	593.08
	Total Current liabilities (C)		**22552.00**	**16950.50**
	TOTAL EQUITY AND LIABILITIES (A+B+C)		**59220.91**	**44727.16**

The accompanying notes forming part of financial statements.

As per our Report of even date attached

For VIJAY MEHRA & CO. **Chartered Accountants** **(Firm's Registration No. 001051N)**	**For and on behalf of the Board of directors**	
Sd/- **CA AMIT HANDA** **(Partner)** **M. No: 502400** **UDIN:- 26502400RQHPPT7813**	**Sd/-** **Ramesh Kumar** **Managing director** **DIN:00462656**	**Sd/-** **Ajay Kumar Arora** **Whole time director** **DIN:00462664**
Place: Amritsar **Date: 19-05-2026**	**Sd/-** **Gurpreet Kaur** **Company Secretary**	**Sd/-** **Aditya Arora** **Whole time Director & CFO** **DIN:07320410**

KWALITY PHARMACEUTICALS LIMITED
Regd.Office.:-VILLAGE NAGKALAN, MAJITHA ROAD, AMRITSAR, PUNJAB – 143601
CIN No. :- L24232PB1983PLC005426; Phone no. :-8558820862
Email Id:- ramesh@kwalitypharma.com; Website :- www.kwalitypharma.com

Consolidated Statement of Profit or Loss for the year ended 31st March 2026

(₹ in lakhs) except EPS

Sr. No.	Particulars	Note No.	Year Ended 31.03.2026 (Audited)	Year Ended 31.03.2025 (Audited)
I.	Revenue from operations (Net)	25	50308.34	37019.70
II.	Other income	26	285.86	192.01
III.	**Total Revenue (I+II)**		**50594.19**	**37211.71**
IV.	Expenses			
	(a) Cost of materials consumed	27	24081.02	16541.24
	(b) Purchases of stock-in-trade	28	1734.63	1590.16
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	27.77	117.24
	(d) Employee benefits expense	30	5404.26	4378.39
	(e) Finance Cost	31	1097.04	987.79
	(f) Depreciation and amortisation expense		1981.04	1828.96
	(g) Other expenses	32	7236.28	6353.93
	Total expenses (IV)		**41562.04**	**31797.71**
V.	Profit before share of profit of equity accounted investees, exceptional items and tax (III-IV)		**9032.16**	**5413.99**
VI.	Share of profit/(loss) of associates and joint ventures accounted for using equity method (net of income tax)		0.00	0.00

VII.	**Profit before exceptional items and tax (V+VI)**		**9032.16**	**5413.99**
VIII.	Exceptional items	33	82.94	0.00
IX.	**Profit / (Loss) before Tax (VII-VIII)**		**8949.21**	**5413.99**
X.	Tax expense: (1) Current tax (2) Deferred tax (3) Income tax relating to earlier years (4) MAT Credit (Entitlement)/Utilised		 2280.03 - 88.70 23.29 0.00	 1469.47 - 158.94 123.19 0.00
XI.	**Profit/(Loss) after Tax (IX-X)**		**6734.60**	**3980.27**
XII.	Other Comprehensive Income (net of tax) (i) Items that will not be reclassified subsequently to profit or loss Remeasurement of defined benefit plans(net Tax) (ii) Items that will be reclassified to profit or loss: Exchange differences in translating financial statements of foreign operations		13.67 - .23	- .97 - .81
	Total Other Comprehensive Income (net of tax)		**13.44**	**-1.78**
	Total Comprehensive Income for the period (XI+XII)		6748.04	3978.49
XIII.	Profit/(loss)attributable to : a) Owners of the Company b) Non-controlling interests		 6734.63 - .03	 3984.51 - 4.24

XIV.	Other comprehensive income attributable to: a) Owners of the Company b) Non-controlling interests		13.44	-1.78
XV.	Total comprehensive income attributable to: a) Owners of the Company b) Non-controlling interests		6748.07 - .03	3982.73 - 4.24
XVI.	Paid up Equity Share Capital (Face value Rs.10 each)		1037.62	1037.62
XVII.	Other Equity(excluding revaluation reserve)		32041.94	25287.21
XVIII.	**Earnings per equity share (Non annualised) (In Rs.)**			
	(1) Basic		64.90	38.36
	(2) Diluted		64.90	38.36

The accompanying notes forming part of financial statements.

As per our Report of even date attached

For VIJAY MEHRA & CO.
Chartered Accountants
(Firm's Registration No. 001051N)

For and on behalf of the Board of directors

Sd/-
CA AMIT HANDA
(Partner)
M. No: 502400
UDIN:- 26502400RQHPPT7813

Sd/-
Ramesh Kumar
Managing director
DIN:00462656

Sd/-
Ajay Kumar Arora
Whole time director
DIN:00462664

Place: Amritsar
Date: 19-05-2026

Sd/-
Gurpreet Kaur
Company Secretary

Sd/-
Aditya Arora
Whole time Director &CFO
DIN:07320410

(₹ in lakhs)

		Year ended 31st March 2026 (Audited)		Year ended 31st March 2025 (Audited)	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit Before Tax		**8949.21**		**5413.99**
	Adjustments for non-cash items:				
	Depreciation	1981.04		1828.96	
	Other non-cash items	132.23		2.25	
	Adjustments for Finance cost:				
	Interest & Finance Charges	1097.04		987.79	
	Adjustments for Investing activities:				
	Profit/loss on sale of Assets	-71.22		-2.84	
	Interest on investments	-12.54		-15.88	
			3126.56		2800.28
	Operating Profit before Working Capital Changes		**12075.77**		**8214.28**
	Adjustments for:				
	Decrease/(Increase) in Trade receivables	-12574.66		-3992.01	
	Decrease/(Increase) in Inventories	521.34		-507.83	
	Adjustment for Bank Balances (Except Cash & Cash Equivalent)	-12.07		95.07	
	Decrease/(Increase) in Other Current Assets	397.36		912.33	
	Decrease/(Increase) in Other Financial Assets, Current	-1650.34		359.86	
	Increase/(Decrease) in Trade Payables	4589.31		1147.63	
	Increase/(Decrease) in Financial Current Liabilities	27.39		2054.27	

	Increase/(Decrease) in Other Current Liabilties	361.93		-1385.50	
	Increase/(Decrease) in Other Liabilities & Provisions	22.81		-50.91	
	Increase/(Decrease) in Provisions (non-current)	-23.54		3.58	
			-8340.48		-1363.51
	Cash generated from operations		**3735.30**		**6850.77**
	Less: Income Tax Paid(Net of Refunds)		2076.67		1578.99
	Net Cash flow from Operating activities (A)		**1658.62**		**5271.78**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase for Property, Plant and Equipment	-4460.15		-2329.27	
	Proceeds from disposal of Property, Plant and Equipment	324.20		7.61	
	Purchase of Intangible asset	-433.89		-171.00	
	Interest on Investments	12.54		15.88	
	(Increase)/Decrease in Other Long term Assets	473.53		-374.74	
	Increase/(Decrease) in Other Long term liability	592.81		0.00	
	Net Cash used in Investing activities (B)		**-3490.96**		**-2851.52**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Borrowings	3169.31		879.41	
	Repayments of Borrowings	-1368.31		-1335.65	
	Interest paid	-1097.04		-987.79	
	Net Cash from financing activities (C)		**703.96**		**-1444.04**
	Net increase in cash & Cash Equivalents (A+B+C)		-1128.38		976.22
	Opening Cash and Cash equivalents		1202.02		225.79
	Closing Cash and Cash equivalents		**73.64**		**1202.02**
	Cash & Cash Equivalents		**As on**		**As on**
			31.03.2026		**31.03.2025**

	Cash in Hand		47.51		17.82
	Cash at Bank		26.13		1184.19
	Cash & Cash equivalents as stated in Financial Statements		**73.64**		**1202.02**

Notes:

1. **The above cash flow statement has been prepared under "Indirect Method" as set out in Ind AS-7 on Statement of Cash flow**

2. **Previous year's figures have been re-grouped and re-arranged wherever necessary.**

As per our Report of even date attached

For VIJAY MEHRA & CO.

Chartered Accountants
(Firm's Registration No. 001051N)

For and on behalf of the Board of directors

Sd/-
CA AMIT HANDA
(Partner)
M. No: 502400
UDIN:- 26502400RQHPPT7813

Place: Amritsar
Date: 19-05-2026

Sd/-
Ramesh Kumar
Managing director
DIN:00462656

Sd/-
Ajay Kumar Arora
Whole time director
DIN:00462664

Sd/-
Gurpreet Kaur
Company Secretary

Sd/-
Aditya Arora
Whole time Director &CFO
DIN:07320410

Consolidated Statement of Changes in Equity for the year ended 31st March 2026

Particulars	Share Capital	Other Equity						Attributable to owners of Parent Company	Non-Controlling Interest	Total Equity
		Reserve and Surplus				Other				
	Equity Share Capital	Securities Premium Reserve	Building Revaluation Reserve	Investment Allowance Reserve	Retained Earnings	Foreign Currency Translation				
Balance as at 31st March, 2024	1037.62	846.77	80.00	.00	20460.47	-3.73	22421.14	-162.79	22258.35	
Profit for the year	-	-	-	-	3984.51	-	3984.51	-4.24	3980.27	
Other comprehensive income for the year, net of Tax	-	-	-	-	-.97	-.81	-1.78	-	-1.78	
Reclassification Adjustment during year							.96	**1.78**	2.75	
Total comprehensive income for the year	-	-	-	-	3983.54	-.81	3983.69	-2.46	3981.24	
Balance as at 31st March , 2025	**1037.62**	**846.77**	**80.00**	**.00**	**24444.01**	**-2.92**	**26404.83**	**-165.24**	**26239.59**	
Profit for the year	-	-	-	-	6734.63		6734.63	-.03	6734.60	
Prior-period adjustment relating to recognition of Lease under Ind as 116 Note:2.2(n)					4.47		4.47		**4.47**	
Other comprehensive income for the year, net of Tax	-	-	-	-	13.67	-.23	13.44	-	**13.44**	
Reclassification Adjustment during year							2.20	-2.20	**.00**	
Total comprehensive income for the year	-	-	-	-	6752.77	-.23	6754.73	-2.23	6752.50	
Balance as at 31st March, 2026	**1037.62**	**846.77**	**80.00**	-	**31196.78**	**-3.16**	**33159.56**	**-167.47**	**32992.09**	

Notes to the Consolidated Financial Statements
For the year ended March 31, 2026

1. General Information

Kwality Pharmaceuticals Limited ("the parent company") is one of the leading manufacturers of pharmaceutical products incorporated and domiciled in India having its registered office at Village Nagkalan, Majitha Road, Amritsar, Punjab – 143601, India. The Company has a foreign subsidiary in which the company holds 51% of share capital. The subsidiary Company named Kwality Pharmaceuticals Africa Limitada incorporated on 20/09/2013 under the laws of Africa have identification number as 100428873. The registered office of the Company is located at Mozambique, Maputo Cidade, Distrito Urbano 1, Bairro de Central, Africa. The company has invested in the share capital and granted loans to the foreign subsidiary. The subsidiary is incorporated with the intention of import export and marketing of pharmaceutical products of the company. The parent company and its subsidiary hereinafter referred as the "Company" or the "Group".

2.Material Significant Policies

2.1 Statement of Compliance

The Group has prepared its consolidated financial statements for the year ended March 31,2026 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules,2015 (as amended) together with the comparative period data as at and for the year ended March 31, 2023 and the relevant provisions of Divisions II of Schedule III to the Companies Act,2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

2.2 Basis of Preparation and Presentation

The consolidated financial statements have been prepared on the historical cost convention and on an accrual basis, except for:

(i) certain financial instruments that are measured at fair values at the end of each reporting period;

(ii) Defined benefit plans – plan assets that are measured at fair values at the end of each reporting period, as explained in the accounting policies below:

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services

The consolidated financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest Lakhs (₹ 00,000) upto Two decimal, except when otherwise indicated.

All the Assets & Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in Ind AS and Schedule III to the said Act.

a. Basis of Consolidation

(i) Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are consolidated from the date of their acquisition, being the date on which the Company obtains control and continue to be consolidated until the date that such control ceases.

(ii) The Consolidated Financial Statements are prepared using uniform accounting policies consistently for material like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's Standalone Financial Statements except otherwise stated. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

(iii) The Consolidated Financial Statements have been prepared by combining the financial statements of the company and its subsidiaries on a line-by-line basis by adding together the book values of like items of assets, liabilities, equity, income, expenses and cash flow after eliminating in full intra-group assets, liabilities, equity, income, expenses and cash flow relating to intra-group transactions and unrealized profits. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Such unrealized profit/losses are fully attributed to the Company.

(iv) Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

(v) When the Group loses control of a subsidiary, a gain or loss is recognised in the consolidated statement of profit and loss and is calculated as the difference between:

1. The aggregate of the fair value of the consideration received and the fair value of any retained interest and

2. The previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation of that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to the consolidated statement of profit and loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109.

b. Classification of Current and Non-current

An asset is treated as current when it is:

i) Expected to be realized or intended to be sold or consumed in normal operating cycle and company has identified twelve months as its normal operating cycle based on the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

ii) Held primarily for the purpose of trading,

iii) Expected to be realized within twelve months after the reporting period, or

iv) Cash or Cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

i) It is expected to be settled in normal operating cycle,

ii) It is held primarily for the purpose of trading,

iii) It is due to be settled within twelve months after the reporting period, or

iv) There is no unconditional right to determine the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non – current.

c. Foreign Currency Transactions

In preparing the financial statements of its each individual entity (i.e., its subsidiary), transactions in currencies other than the entity's functional currency are translated at exchange rates on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate on that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the year or in previous period are recognized in profit or loss in the period in which they arise.

d. Segment reporting

The Group operates in a Single segment of manufacturing of broad range of finished pharmaceutical formulations in a dosage form viz. Tablets, Capsules, Syrup, Dry Syrup, Injections etc. The product has the same risks and returns, which are predominantly governed by market conditions, namely demand and supply position. Thus, in the context of Ind AS 108 "Operating Segment", issued by the Institute of Chartered Accountants of India, there is only one identified reportable segment.

e. Property, Plant and Equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation/amortization and impairment losses, if any. The cost comprises of the purchase price (net of GST credit wherever applicable) and any attributable cost of bringing the property, plant and equipment to its working condition for its intended use.

Subsequent expenditures related to an item of property, plant, and equipment are added to its gross book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

The Group identifies and determines separate useful life for each major component of property, plant and equipment, if they have useful life that is materially different from that of the remaining asset.

Items such as Laboratory items is recognized in accordance with Ind AS 16 "Property, Plant and Equipment" when they meet the definition of property, plant and equipment. Otherwise, such items are classified as Consumable expense or Inventories as per the nature of item.

Property, plant and equipment not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress". Advances given towards acquisition of property, plant and equipment's outstanding at each Balance Sheet date are disclosed as Capital Advances under "Other Non-Current Assets".

Losses arising from the retirement of, and gains and losses arising from disposal of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the property, plant and equipment and are recognized in the statement of profit and loss when the property, plant and equipment is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f. Intangible asset:

Intangible assets are identifiable non-monetary assets without physical substance, such as software, licenses, trademarks, and similar rights. An intangible asset is recognised only when it is identifiable, the Company has control over the asset, it is probable that future economic benefits will flow to the Company, and the cost of the asset can be measured reliably

g. Depreciation & Amortization on Fixed asset

Depreciation on fixed assets is calculated on written down value basis using the rates arrived at based on the useful life of the assets prescribed under Schedule II of the Companies Act, 2013 for the year ended on March 31, 2026.

The useful life of Property, Plant and Equipment as estimated by the Management on the basis of expert advice and past experience are as under:

Class of Assets	**Useful life (in years)**
Plant & Machinery	20 years
Building	20-30 years
Furniture	10 years
Vehicles	8 years
Computer Equipment	3 years
Laboratory Equipment	10- 20 years
Office Equipment	5-10 years
Lift	8 years
Electric Fittings	10 years

*Freehold Land held by the company is not depreciated.

During the year ended March 31, 2026, the Company acquired an Intangible asset 'Bioequivalence Study The asset is being amortised over an estimated useful life of **5 years** on a **straight-line basis.**

h. Inventories

Inventories are stated at cost or net realizable value whichever is lower. Cost include purchase price, non-refundable taxes and delivery and handling cost and all costs incurred in bringing the inventory to its present location and condition. Cost of raw materials, process chemicals, stores and spares, packing material, and another inventory is determined on weighted average basis.

Finished goods stock is valued at cost or net realizable value whichever is lower. Cost of finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

The factors that the Group considers in determining the allowance for slow-moving, obsolete, and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory, and introduction of competitive new products, to the extent each of these factors impacts the Group's business and markets. The Group considers all these factors and adjusts the inventory provision to reflect its actual experience periodically.

i, Statement of Cash Flows

Consolidated Statement of Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

j. Provisions, contingent liabilities, and contingent assets

Provisions are recognized when:

(i) The Group has a present obligation (legal or constructive) as a result of a past event,

(ii) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities and contingent assets

Contingent liability is disclosed for,

(i) Possible obligations that will be confirmed only by future events not wholly within the control of the Group, or

(ii) Present obligations arise from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized in the financial statements. A contingent asset is disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually and, if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

k. Employee Benefits

(a) Defined Contribution Plans

The Group's contribution to the defined contribution plan paid/payable for the year is charged to the Consolidated Statement of Profit and loss.

(b) Defined Benefit Plans

- The Group has gratuity as a defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation using the projected unit credit method. The gratuity fund is administered through the Life Insurance Corporation of India.

- The liability in respect of defined benefit plans is calculated using the projected unit credit method (PUCM) with actuarial valuations being carried out at the end of each annual reporting period.

- The current service cost of the defined benefit plan, recognised in the statement of profit and loss as employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements.

- The Net Interest Cost on Defined Benefit Obligations is also included in the Statement of Profit and Loss under the Head "Employees Benefit Expenses".

- Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to OCI in the period in which they arise and are reflected immediately in retained earnings and is not reclassified to profit or loss.

l. Taxes on Income

Tax expense

- Tax expense consists of current and deferred tax. Income tax expense is recognized in the profit or loss except to the extent that it relates to items recognized in OCI or directly in equity as in that case it is recognized in OCI or directly in equity respectively. Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

- Deferred tax resulting from "timing differences" between taxable and accounting income that originate in one period and are capable of being reversed in one or more subsequent period is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets can be realized in future. However, where there is unabsorbed capital expenditure or carry forward losses under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date.

m. Exceptional Items

Exceptional items refer to items of income or expense, including tax items, within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

On 21 November 2025, the Government of India notified the four Labour Codes – the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 – consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company has evaluated and disclosed the incremental impact of these changes using the best information currently available, consistent with the guidance provided by the Institute of Chartered Accountants of India. Considering the materiality and regulatory-driven, non-recurring nature of this impact, the Company has presented such incremental impact amounting to ₹82.94 lakhs as an exceptional item in the standalone financial results for the quarter and nine months ended 31 December 2025. The increase is primarily on account of past service cost for gratuity liability due to change in wage definition for employees and contract labour. The Company continues to monitor the finalisation of Central/State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

n. Leases

During the current year, the Company recognised the accounting impact of certain lease arrangements entered into in earlier years in accordance with the requirements of Ind AS 116 – Leases. Accordingly, the related Right-of-Use (ROU) assets and lease liabilities have been recognised in the financial statements.

Since these lease arrangements pertained to prior periods, the recognition has been accounted for as a prior period adjustment in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. Accordingly, the opening balances of the Right-of-Use assets, lease liabilities and retained earnings as at 1 April 2025 have been adjusted, and the corresponding net impact has been presented in the Statement of Changes in Equity .

The corresponding adjustments have also been made to the relevant balance sheet line items, wherever applicable. This adjustment relates only to the recognition and measurement of lease accounting under Ind AS 116 and does not affect the Company's cash flows.

Reconciliation of the Net Prior-Period Adjustment:

(₹ in lakh)

Particulars	Amount
Credit impact arising from recognition of the unamortised right-of-use asset relating to the upfront lease arrangement	10.03
Less: Debit impact arising from recognition of lease liabilities in excess of the corresponding right-of-use assets in respect of other lease arrangements	(5.56)
Net increase in opening retained earnings	**4.47**

o. Revenue Recognition

The Group recognizes revenue when the same can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. Revenue is measured at the value of the consideration received or receivable, considering defined terms of payment and excluding taxes or duties collected on behalf of the government. Amounts disclosed as revenue are exclusive of GST and net of returns, trade allowances, rebates, discounts, and amounts collected on behalf of third parties.

i) Sale of goods

Sales are recognized when substantial risk and rewards of ownership are transferred to customer, in case of domestic customers, sales generally take place when goods are dispatched or delivery is handed over to the transporter. In case of export customers, sales generally take place when goods are shipped on-board based on bill of lading.

ii)Interest & Other Indirect Income

a) Interest income is recognized on time proportion basis considering the amount invested and rate of interest.

b) Revenue in respect of other claims is recognized on an accrual basis to the extent the ultimate realization is reasonably certain.

p. Impairment

(i) Financial Assets

The Group's financial assets is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired, if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

(ii) Non-Financial Assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

An impairment loss is recognized in the Statement of Profit or Loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount.

q. 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 Assets

Initial recognition and measurement:

Financial assets are classified into the following categories upon initial recognition:

(a) those measured at amortised cost

(b) those to be measured subsequently at fair value through Statement of Profit & Loss.

The classification depends on the entity's business model for managing the financial assets and the terms of cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income as the case may be.

All financial assets are initially recognized at fair value. Transaction costs of acquisition of financial assets carried at fair value through profit and loss are expensed in the Statement of Profit and Loss.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured subsequently at amortized cost. Interest income from these financial assets is included in Other income as per interest received/receivable from Financial Institutions.

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

Financial liabilities

Initial recognition and measurement:

All financial liabilities are recognized initially at fair value. The Group's financial liabilities majorly comprises trade and other payables.

Financial liabilities are classified as 'FVTPL' if they are held for trading or if they are designated as financial liabilities upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

The Group classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through profit and loss.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same creditor on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

r. Fair Value Measurement

The fair value of an asset or a liability is measured using the assumptions that the market participants would use when pricing the asset or liability.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

s. Use of Judgment's, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Difference between actual results and estimates are recognised in the periods in which the results are known / materialise. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements which have a significant effect on the amounts recognised in the financial statements:

- **Defined benefit plans (Gratuity and Leave encashment benefits)**

  The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation and Leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- **Useful life of Property, plant and equipment**

  The Group reviews the useful life of Property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expenses in the future years.

Note :3 PROPERTY, PLANT & EQUIPMENT`

Description of Asset	Gross Block						Accumulated Depreciation					Net Block	
	Opening Balance	Additions	Disposal	Impairment during the year	Reclassification	Cost as on 31st March 2026	As on 31st March 2025	Depreciation on assets impaired	Depreciation on Disposal of Assets	For the year ended31st March 2026	As on 31st March 2026	As on 31st March 2026	As on 31st March 2025
Plant & Machinery	10336.87	1300.81	-	-	-	11637.68	4172.25	-	-	1011.97	5184.22	6453.46	6164.62
Building	5716.91	68.77	-	-	-	5785.67	1607.42	-	-	393.17	2000.59	3785.08	4109.48
Furniture	728.42	123.16	-	-	-	851.58	421.97	-	-	95.89	517.86	333.72	306.45
Vehicles	1094.79	540.67	-	-	-	1635.46	743.31	-	-	177.58	920.89	714.57	351.48
Computer Equipment	464.29	66.02	-	-	-	530.31	405.62	-	-	48.12	453.74	76.57	58.66
Laboratory Equipment	2223.86	252.76	-	-	-	2476.62	949.53	-	-	192.33	1141.86	1334.76	1274.33
Office equipment	61.55	1.37	-	-	-	62.93	45.49	-	-	4.66	50.15	12.77	16.06
Lift	66.73	14.14	-	-	-	80.88	38.77	-	-	6.75	45.52	35.35	27.96
Electric Fittings	236.01	29.30	-	-	-	265.31	144.22	-	-	28.37	172.59	92.72	91.79
Right of Asset Note :2.2(n)	10.03	18.53				28.56	-			0.52	0.52	28.04	-
Property	1875.00	362.52	252.98	-	-	1984.54	.00	-	-	.00		1984.54	1875.00
			At Mozambique:										
Property and Furniture	181.16	-	-	-	-	181.16	58.55	-	-	1.61	60.16	121.00	122.61
Total	**22985.59**	**2788.09**	**252.98**			**25520.7**	**8587.14**			**1960.97**	**10548.11**	**14972.59**	**14398.45**
Previous Year	20663.93	2329.27	7.61	.00	.00	22985.59	6758.46	.00	.00	1828.68	8587.14	14398.45	13905.46

Note: 3a

Property, Plant & Equipment

(₹ in lakhs)

Particulars	**As at 31st March,2026**	**As at 31st March,2025**
A. Closing Gross Block (other than Capital WIP) (Ai+Aii-Aiii-Aiv+Av)	**25520.70**	**22985.59**
Ai) Opening Gross Block	22985.59	20663.93
Aii) Additions during the year	2788.09	2329.27
Aiii) Disposal of Assets during the year	252.98	7.61
Aiv) Impairment of Assets		
Av) Reclassification		
B. Closing Accumulated Depreciation (Bi+Bii-Biii-Biv)	**10548.11**	**8587.14**
Bi) Opening Accumulated Depreciation	8587.14	6758.46
Bii) Add: Depreciation charged during the Current year	1960.97	1828.68
Biii) Less: Depreciation on assets disposed		
Biv) Less: Depreciation on assets impaired		
Net Block (A-B)	**14972.59**	**14398.45**

NOTE 4 :INTANGIBLE ASSETS

Description Of Asset	Gross Block				Accumulated Amortisation				Net Block	
	Opening Balance	Additions	Disposal	Cost as on 31st March 2026	As on 31st March 2025	Amortisation on asset sold	For the year ended 31st March 2026	As on 31st March 2026	As on 31st March 2026	As on 31st March 2025
Technical Know-How	171.00	-	-	171.00	.28	0.00	17.10	17.38	153.62	170.72
Bioequivalence Study	-	433.89		433.89	-	-	2.96	2.96	430.92	-
Total	**171.00**	**433.89**	**.00**	**604.89**	**.28**	**.00**	**20.06**	**20.35**	**584.54**	**170.72**
Previous Year	**.00**	**171.00**	**.00**	**171.00**	**.00**	**0.00**	**.28**	**.28**	**170.72**	**.00**

Note : 4 (a)Intangible assets (₹ in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
A. Closing Gross Block (other than Capital WIP) (Ai+Aii-Aiii-Aiv+Av)	**604.89**	171.00
Ai) Opening Gross Block	171.00	
Aii) Additions during the year	433.89	171.00
Aiii) Disposal of Assets during the year		
Aiv) Impairment of Assets		
Av) Reclassification		
B. Closing Accumulated Depreciation (Bi+Bii-Biii-Biv)	**20.35**	.28
Bi) Opening Accumulated Amortisation	.28	.00
Bii) Add: Amortisation charged during the Current year	20.06	.28
Biii) Less: Amortisation on assets disposed		
Biv) Less: Amortisation on assets impaired		
Net Block (A-B)	**584.54**	**170.72**

Note: 5

Capital Work-in-Progress: (₹ in lakhs)

Particulars	As at 31st March,2026	As at 31st March,2025
Closing Gross Block (Capital Work-in-Progress) (Ai+Aii+Aiii)	**1700.62**	-
Ai) Opening Gross Block	-	-
Aii) Additions during the year	1700.62	-
Aiii) Reclassification	-	-

Note: 6
Deferred Tax Assets **(₹ in lakhs)**

Particulars	As at 31st March 2026	As at 31st March,2025
Deferred tax Liability/(Assets)		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets, with respect to previous years	161.48	2.54
Current Year Adjustment of deferred Tax Asset on account of difference between book balance and tax balance of fixed assets	57.49	158.94
Msme Section 43B(h) Adjustment	31.21	-
Net deferred tax liability / (asset)	**250.18**	**161.48**

- Effective from the financial year 2024–25, the Company has changed its method of calculating deferred tax from the **Profit and Loss (P&L) approach** to the **Balance Sheet approach** in accordance with the requirements of [specify applicable accounting standard, e.g., Ind AS 12 – Income Taxes or IAS 12 / local GAAP.

Note:7
Other Non-Current Assets **(₹ in lakhs)**

Particulars	As at 31st March,2026	As at 31st March,2025
(a) Capital Advances		
Secured, Considered Good	-	-
Unsecured, Considered Good	1012.78	1152.96
Doubtful	-	-
(b) Security Deposits		
Secured, Considered Good	132.45	465.80
Unsecured, Considered Good	-	-
Doubtful	-	-

(c) Loans & Advances to Related Parties	**-**	**-**
(d) Other Loans & Advances	**-**	**-**
(e) Other Non Current Investments		
Total	**1145.23**	**1618.76**

Note: 8
Inventories

(₹ in lakhs)

Particulars	**As at 31st March,2026**	**As at 31st March,2025**
Inventory (incl. packing material) (a+b+c+d+e-f)		
(a) Raw Material	4799.12	5239.29
(b) Finished Goods	932.31	968.88
(c) Packing Material	1836.41	1894.64
(d) Work-in-Progress	226.77	217.97
(e) Consumable Stores or Spares	30.61	25.79
(f) **Less:** Stock Written off during the period	**-**	-
Total	**7825.23**	**8346.57**

Note:9
Trade receivables

(₹ in lakhs)

Particulars	**As at 31st March,2026**	**As at 31st March,2025**
Trade Receivables		
- Secured, considered good	**-**	**-**
- Unsecured, considered good	28005.24	15430.58
- which have significant increase in credit risk		**-**
- Credit Impaired		**-**
	28005.24	15430.58

Less: Provision for doubtful trade receivables	**-**	**-**
	28005.24	15430.58
Total	**28005.24**	**15430.58**

Note: 9(a) Trade Receivables Ageing Schedule for the year ending 31st March,2026 (₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than6 Months	6Months to 1 year	1-2 years	2-3 years	More than 3 years	
Trade Receivables - Considered Good Secured	-	-	-	-	-	-
Trade Receivable - Considered Good Unsecured	24974.95	1463.91	1002.09	89.74	474.55	28005.24
Trade receivables which have significant increase in credit risk						
Trade Receivables - Credit impaired						
Total	**24974.95**	**1463.91**	**1002.09**	**89.74**	**474.55**	**28005.24**

Note: 9(b) Trade Receivables Ageing Schedule for the year ending 31st March, 2025 (₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than6 Months	6 Months to1year	1-2 years	2-3 years	More than 3 years	
TradeReceivables -Considered Good Secured	**-**	**-**	**-**	**-**	**-**	**-**
Trade Receivable - Considered Good Unsecured	12547.50	1152.47	566.17	517.50	646.94	15430.58
Trade receivables which have significant increase in credit risk	-	-	-	-	-	-
Trade Receivables - Credit impaired.	-	-	-	-	-	-
Total	**12547.50**	**1152.47**	**566.17**	**517.50**	**646.94**	**15430.58**

❖ *The Trade receivables have been regrouped/reclassified as per prescribed IND AS format wherever necessary.*

Note: 10
Cash and cash equivalents (₹ in lakhs)

Particulars	As at 31st March,2026	As at 31st March,2025
(a) Balances with Banks		
- In Current Accounts	21.31	91.45
(b) Cash in Hand	46.97	13.84
c) Cheque in hand	-	1050.00
Balances at Mozambique:		
(a) Balances with Banks	4.83	42.75
(b) Cash in Hand	0.53	3.99
Total	**73.64**	**1202.02**

Note: 11

Bank Balances other than Cash and cash equivalents (₹ in lakhs)

Particulars	As at 31st March,2026	As at 31st March,2025
Fixed Deposits with Banks	285.59	273.51
Total	**285.59**	**273.51**

Note: 12
Other Financial Current Assets (₹ in lakhs)

Particulars	As at 31st March,2026	As at 31st March,2025
IGST refundable against export	852.37	1279.37
Claim Receivable A/C	29.64	-
Total	**882.01**	**1279.37**

Note: 13
Other Current Assets **(₹ in lakhs)**

Particulars	As at 31st March,2026	As at 31st March,2025
Balances with Revenue Authorities	1785.21	995.03
Security Deposits	1.10	.36
Other Advances	56.08	52.97
Advances to Suppliers	1581.25	791.13
Advances to Staff	72.39	6.22
Total	**3496.04**	**1845.70**

- *The Other Current Assets have been regrouped/reclassified as per prescribed IND AS format wherever necessary*

Note: 14
Share Capital

* All figures in lacs except number of shares

Particulars	As at 31st March,2026		As at 31st March,2025	
	Number of shares	Value (Rs.)	Number of shares	Value (Rs.)
(a) Authorised				
Equity shares of Rs.10 each with voting rights	16000000	1600.00	16000000	1600.00
	16000000	**1600.00**	**16000000**	**1600.00**
(b) Issued				
Equity shares of Rs. 10 each with voting rights	10376198	1037.62	10376198	1037.62
	10376198	**1037.62**	**10376198**	**1037.62**
(c) Subscribed and fully paid up				
Equity shares of Rs.10 each with voting rights	10376198	1037.62	10376198	1037.62
	10376198	**1037.62**	**10376198**	**1037.62**
Total	**10376198**	**1037.62**	**10376198**	**1037.62**

14(a) Shareholding Pattern of Kwality Pharmaceuticals Africa Limitada (Subsidiary)

Name of Shareholders	% of Shareholding
Kwality Pharmaceuticals Limited	51.00%
Mr. Rajendra Singh Golan	49.00%

14(b) Shareholding Details at Kwality Pharmaceuticals Limited (Holding Company)

i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh Issue	Closing Balance
Equity shares with voting rights			
Year ended March 31, 2026			
- Number of Shares	10376198	-	10376198
- Amount (in Lac Rs.)	1037.62	-	1037.62
Year ended March 31, 2025			
- Number of Shares	10376198	-	10376198
- Amount (in Lac Rs.)	1037.62	-	1037.62

i) The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of the equity share 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 'the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii) Details of shares held by each shareholder in holding more than 5% shares:

Class of Shares/Name of the Shareholders	As at 31st March,2026		As at 31st March,2025	
	Number of Shares Held	% holding in that class of shares	Number of Shares Held	% holding in that class of shares
Equity shares with voting rights				
1. Ramesh Kumar	2700632	26.03%	2698684	26.01%

2. Ajay Kumar Arora	1411579	13.60%	1410638	13.59%
3. Aditya Arora	1241039	11.96%	1240091	11.95%
4. Deepak Bansal	958746	9.24%	1103174	10.63%
Total	**6311996**	**60.83%**	**6452587**	**62.19%**

Note: 15

Other Equity **(₹ in lakhs)**

Particulars	As at 31st March,2026	As at 31st March,2025
(a) Securities premium account		
Opening balance	846.77	846.77
Add : Premium on shares issued during the year	-	-
Less : Utilised during the year	-	-
Closing balance	**846.77**	**846.77**
(b) Retained Earnings		
Opening balance	24277.92	20297.49
Add: Profit / (Loss) for the year	6734.60	3980.27
Add: Other Comprehensive income for the period*	13.67	-1.78
Add : Prior-period adjustment relating to recognition of lease liabilities and ROU Asset under Ind AS 116, Note no:2.2(n)	4.47	-
Add: Reclassification Adjustments during the year	-	1.94
Closing balance	**31030.66**	**24277.92**
Add: Non-Controlling Interest in Retained Earnings	167.67	165.24
	31198.33	**24443.38**
(c) Items of Other Comprehensive Income		
Exchange Difference arising on Translation of Foreign Operations	-3.16	- 2.92

(c) **Building Revaluation Reserve**	80.00	80.00
Total	**32121.94**	**25367.21**

Note: 16 **(₹ in lakhs)**
Long-term borrowings

Particulars	**As at 31st March,2026**	**As at 31st March,2025**
(a) Term loans		
From Banks	2940.02	1511.89
From other parties	-	-
	2940.02	**1511.89**
(b) Loans and advances from related parties		
Unsecured	-	-
Total	**2940.02**	**1511.89**

Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

(₹ in lakhs)

Particulars	**As at 31st March,2026**		**As at 31st March,2025**	
	Secured	**Unsecured**	**Secured**	**Unsecured**
Term loans from banks:				
Term loans	4499.89	-	2911.28	-
Less: Current maturities	-1559.87	-	-1399.39	-
Total - Term loans from banks	**2940.02**	-	**1511.89**	-
Term loans from other parties:	-	-	-	-
Total - Term loans from other parties	-	-	-	-

Loans and advances from related parties:	-	-	-	-
Total - Loans and advances from related parties	-	-	-	-

Note: 17
Provisions-Non-current **(₹ in lakhs)**

Particulars	**As at 31st March,2026**	**As at 31st March,2025**
Provision for Defined Benefits Obligation (net)	118.32	25.17
Total	**118.32**	**25.17**

Note: 18
Other Non-current liabilities **(₹ in lakhs)**

Particulars	**As at 31st March,2026**	**As at 31st March,2025**
Capital Advances	594.50	-
Lease Liabilities	23.99	-
Total	**618.49**	**-**

Note: 19
Short-term borrowings **(₹ in lakhs)**

Particulars	**As at 31st March,2026**	**As at 31st March,2025**
(a) Loans repayable on demand		
From banks		
- Secured	10106.04	9732.63
- Unsecured	-	-
From Other Parties		
- Secured	-	-

- Unsecured	-	-
(b) Loans and Advances from Related Parties	-	-
Total	**10106.04**	**9732.63**

(i) Details of security for the secured short-term borrowings:

Cash Credit, Pre-shipment, Post Shipment, FLC, PSL, PCFC and BG are secured by hypothecation of all types of stocks and other material at factory/godown or at other places as approved by the bank from time to time including goods in transit and receivables i.e., stock and book debts; hypothecation of plant and machinery and FDR margin and collaterally secured by equitable mortgage of the properties.

a. Details of the short-term borrowings: **(₹ in lakhs)**

Particulars	As at 31st March,2026	As at 31st March,2025
Working Capital Limits	8546.17	8333.24
Term Loans (with current maturities)	1559.87	1399.39
Total	**10106.04**	**9732.63**

Note: 20
Trade payables **(₹ in lakhs)**

Particulars	As at 31st March,2026	As at 31st March,2025
Trade Payables		
- Payable to MSME	1916.25	2117.99
- Payable to Others	8252.41	3461.35
Total	**10168.66**	**5579.34**

Note: 20(a)Trade Payables Ageing Schedule for the year ending 31st March,2026

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than3 years	
MSME	1916.25	-	-	-	1916.25
Others	8178.58	20.97	44.89	7.97	8252.41
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Total	**10094.83**	**20.97**	**44.89**	**7.97**	**10168.66**

Note :20 (b)Trade Payables Ageing Schedule for the year ending 31st March,2025

Particulars	Outstanding for following periods from due date of payment				Total
	Less than1 year	1-2 years	2-3 years	More than3 years	
MSME	2050.71	59.07	8.22	-	**2117.99**
Others	3399.42	61.39	.33	.21	**3461.35**
Disputed dues- MSME	**-**	**-**	**-**	**-**	**-**
Disputed dues-Others	**-**	**-**	**-**	**-**	**-**
Total	**5450.13**	**120.45**	**1.07**	**7.70**	**5579.34**

Note: 21 **(₹ in lakhs)**
Other Financial current liabilities

Particulars	**As at 31st March,2026**	**As at 31st March,2025**
(a) Security Deposits	-	
(b) Interest accrued but not due on Borrowings	21.58	16.12
(c) Statutory Dues	190.51	94.24
(d) Others	315.88	390.21
Total	**527.96**	**500.58**

Note: 22
Other Current Liabilities **(₹ in lakhs)**

Particulars	As at 31st March,2026	As at 31st March,2025
Advances from Customers	879.23	497.03
Other Advances	-	-
Unspent Portion of CSR	-	30.93
Interest Paid To MSME	11.02	.42
Current Portion of Lease liabilities	.06	-
Total	**890.32**	**528.38**

Note: 23
Provisions-Current **(₹ in lakhs)**

Particulars	As at 31st March,2026	As at 31st March,2025
Provision for Defined Benefits Obligation (net)	39.30	16.49
Total	**39.30**	**16.49**

Note: 24
Current Tax Liability (net) **(₹ in lakhs)**

Particulars	As at 31st March,2026	As at 31st March,2025
Provision for Income Tax (net)*	819.73	593.08
Total	**819.73**	**593.08**

**** Current year figure is net of the Provision against Taxes paid in form of Advance Tax(es).***

Note: 25
Revenue from operations **(₹ in lakhs)**

Particulars	As at 31st March,2026	As at 31st March,2025
Export Turnover	24979.72	19543.82
Domestic Turnover	25326.18	17475.88
Sale at Mozambique Subsidiary	2.44	-
Total	**50308.34**	**37019.70**

Note: 26
Other Income **(₹ in lakhs)**

Particulars	As at 31st March,2026	As at 31st March,2025
Interest on FDR	12.54	16.17
Duty Drawback	202.10	144.55
Other Income	.00	20.72
Profit/Loss on Sale of Asset	71.22	2.84
Rate Diff on Purchase	-	-
Foreign Exchange Fluctuation	-	7.73
Total	**285.86**	**192.01**

Note: 27
Cost of materials consumed **(₹ in lakhs)**

Particulars	As at 31st March,2026	As at 31st March,2025
Opening Stock		
-Raw Material	5239.29	4863.82
-Packing Material of Pharma products	1894.64	1645.63
Add: Purchase		
-Raw Material	15741.57	10287.79

-Packing Material of Pharma products	7841.05	6877.92
Less: Closing Stock		
-Raw Material	4799.12	5239.29
-Packing Material of Pharma products	1836.41	1894.64
Total	**24081.02**	**16541.24**

Note: 28
Purchase of Stock-In-Trade **(₹ in lakhs)**

Particulars	**As at 31st March,2026**	**As at 31st March,2025**
Finished goods	1734.63	1590.16
Total	**1734.63**	**1590.16**

Note: 29
Changes in Inventory of Finished Goods, Work in Progress, and Stock-in-Trade
(₹ in lakhs)

Particulars	**As at 31st March,2026**	**As at 31st March,2025**
Opening Stock		
-finished goods	968.88	1102.59
-Work-in-Progress	217.97	201.50
Less: Closing Stock		
-finished goods	932.31	968.88
-Work-in-Progress	226.77	217.97
Total	**27.77**	**117.24**

Note: 30
Employee benefits expense **(₹ in lakhs)**

Particulars	**As at 31st March,2026**	**As at 31st March,2025**
Salaries and wages	4685.21	3797.12
Directors Remuneration	294.00	252.00
Contributions to provident and other funds	172.50	121.96
Staff welfare expenses(Food-lodging & medical)	204.95	171.92
Current Service Cost	41.94	30.85
Past Service Cost*	-	-
Net Interest cost on Defined Benefit Obligation	5.24	2.12
Staff Expenses at Mozambique Subsidiary	0.42	2.40
Total	**5404.26**	**4378.39**

*Additional labour dues (Past Service Cost) amounting to ₹82.94 lakh arising pursuant to a court order have been disclosed separately under "Exceptional Item" in **Note:33** and are not included in the above employee benefits expense**.**

Note: 31
Finance costs

(₹ in lakhs)

Particulars	**As at 31st March,2026**	**As at 31st March,2025**
Bank interest and other expenses	1062.75	971.25
Interest expense on lease liabilities	2.11	
Interest Accrued but not due on borrowings	21.58	16.12
Interest Paid to MSME	10.60	.42
Total	**1097.04**	**987.79**

Note: 32

Other expenses **(₹ in lakhs)**

Particulars	**As at 31st March,2026**	**As at 31st March,2025**
Administrative Expense	376.32	240.29
Auditor's Remuneration:		
- As Auditors	8.00	8.00
- For other services	5.42	4.50
Communication Expense	8.90	14.02
Advertisement & Publicity Expense	324.52	168.10
Other Expense	43.15	51.15
Fees and Taxes	181.65	141.02
Distribution Expenses	1415.15	1496.78
Power, Fuel & Electricity	2669.12	2337.31
Legal and Professional Charges	222.91	193.85
Repair and Maintenance	755.23	572.54
Testing and Laboratory Charges	132.97	273.91
Corporate Social Responsibility	74.30	152.03
Factory Expense	151.31	213.65
Hotel and Accomodation Expense	60.23	46.85
House Keeping Expense	84.93	71.18
Insurance	172.08	146.66
Travelling Expense	173.79	57.27
Commission Expense	363.97	157.25
Director's Sitting Fees	7.50	4.37
Foreign Currency Fluctuation	4.37	-
Expenses at Mozambique:		
Office Expenses	-	-
Travelling Expenses	-	-
Stationery Expenses	-	-
Professional Fee	-	-
Fuel and Electricity	-	-
Communication Expenses	-	-
Other Expenses	0.46	3.19
Fees and Taxes	-	-
Import Expenses	-	-
Total	**7236.28**	**6353.93**

Note: 33

Exceptional Items **(₹ in lakhs)**

Particulars	**As at 31st March,2026**	**As at 31st March,2025**
Past Service Cost -Note 2.2(m)	82.94	-
Total	**82.94**	**-**

34. Contingent Liabilities and Pending Litigations

- **Contingent Liabilities** **(₹ in lakhs)**

Pending Litigations	**As at 31st March,2026**	**As at 31st March,2025**
Details pertaining to ongoing litigation are provided below:	3697.75	3697.75

- **Pending Litigations**

According to the information and explanations given to us, details of Income tax, Goods and Service tax, Customs Duty, Excise Duty and Value Added Tax, the amounts that may be required to be deposited on account of show cause notice or demands raised . The Details are as under:

1. As informed to us and based on the records examined, an order bearing No. 14/GST/ADC/JAL/2024-2025 has been received by the Company under Section 74(9) of the Central Goods and Services Tax Act, 2017, read with Section 20 of the Integrated Goods and Services Tax Act, 2017, raising a demand of ₹3,15,02,758/- towards alleged erroneous refund of IGST for the financial years 2017–18 to 2022–23. Further, a penalty of an equivalent amount of ₹3,15,02,758/- has also been levied under the same provisions. Interest under Section 74(9) read with Section 50 of the CGST Act, 2017 and Section 20 of the IGST Act, 2017 has also been levied, though not quantified in the said order.

   As represented to us, the Company had filed an appeal before the Commissioner of Appeals CGST under CGST Act, 2017 challenging the said order. Commissioner of Appeals has dismissed the said Appeal in favour of revenue and further the company has filed civil writ petition against the said order with Punjab and Haryana high court for stay of order (Appeal No. CWP-12033-2026) Accordingly, the total disputed amount of ₹6,30,05,516/- (comprising tax and penalty) is under litigation and remains pending as on the reporting date.

2. The Company has received a Show Cause Notice bearing no. AE/51/2024-25 for the financial years 2017–18 to 2022–23 under Section 74& 122 of the Central Goods and Services Tax Act, 2017. The notice alleges wrongful availment and utilization of Input Tax Credit (ITC) amounting to ₹15,13,03,420/- (Rupees Fifteen Crores Thirteen Lakhs Three Thousand Four Hundred Twenty

only). Further, a penalty of ₹15,13,03,420/- has been proposed under Section 74(1) read with Section 122(2)(b). Accordingly, the total disputed amount proposed in the Show Cause Notice is Rs. 30,26,06,840/- (Demand &Penalty)

The company has filed a civil writ petition in the Punjab and Haryana high court bearing no CWP-34165-2024 against the said show cause notice. Hon'ble Punjab and Haryana high court has stayed the passing of adjudication order in pursuance to the show cause notice and the show cause notice is thus under litigation and remains pending as on the reporting date.

3. As per the information and explanations given to us and based on the records examined, the Company has received orders dated **30/12/2024** in Form DRC-07 from the Goods and Services Tax (GST) Department under Section 74 of the Central Goods and Services Tax Act, 2017, in respect of wrongly availed and passed on Input Tax Credit (ITC). The summary of the demands raised is as follows:

- For the financial year 2017–18, no tax was levied; however, a penalty of ₹2,80,695 /-was imposed.
- For the financial year 2019–20, a demand of ₹6,74,856/-each towards tax and penalty was raised.
- For the financial year 2020–21, a demand of ₹12,62,160 /-towards tax and ₹12,70,485/- towards penalty was raised.

The Company has filed appeals before the appropriate appellate authority under the GST Commissionerate in all the above cases, and the proceedings are pending as on the date of this report. The matter is currently under dispute and remains pending as on the reporting date..

35. Earnings Per Share

Particulars	As at 31st March,2026	As at 31st March,2025
Profit / (loss) for the year (₹ in Lacs) - used as numerator for calculating earnings per share	6734.60	3980.27
Number of shares used in computing basic and diluted earnings per share	**10,376,198**	**10,376,198**
Face value per share (in ₹)	10.00	10.00
Basic earnings per share (in ₹)	64.90	38.36
Diluted earnings per share (in ₹)	64.90	38.36

36. Disclosures under the MSMED Act, 2006: (₹ in lakhs)

Particulars	As at 31st March,2026	As at 31st March,2025

Principal Amount that has been unpaid to any supplier as at the period end	1916.25	2117.99
Interest due on above	-	-
Amount of interest due and payable for the period of delay	-	-
Amount of interest accrued and remaining unpaid as at year end	11.02	0.42
Amount of further interest remaining due and payable in the succeeding year	-	-

37. Financial Risk Management:

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

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. It arises principally from the Company's receivables from customers, loans, and investments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Company grants credit terms in the normal course of business.

It is evident from the Note No.9 of Notes forming Part of Standalone Financial Statements that company is managing its credit risk efficiently.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Current ratio of the company calculated later in the report is the true indicator of the management of the Liquidity risk by the company.

Foreign Exchange Risk-

The Company's foreign exchange risk arises from its foreign operations, foreign currency revenues and expenses.

In the Current year, Company has charged loss due to Foreign Exchange Fluctuations of Rs 4.37 whereas there was income of Rs. 7.73 Lacs in the previous year.

The Company has below stated Foreign Exchange Exposure which was not hedged as on Balance Sheet date:

Particulars	As at 31st March,2026		As at 31st March,2025	
	Amount in Foreign Currency (in USD) (in Lacs)	Amount in ₹ (in Lacs)	Amount in Foreign Currency (in USD) (in Lacs)	Amount in ₹ (in Lacs)
Trade Payables	1.81	171.24	0.94	80.67
Trade Receivables	164.28	15550.18	90.27	7712.22

Particulars	As at 31st March,2026		As at 31st March,2025	
	Amount in Foreign Currency (in Euro) (in Lacs)	Amount in ₹ (in Lacs)	Amount in Foreign Currency (in Euro) (in Lacs)	Amount in ₹ (in Lacs)
Trade Payables	-	-	-	-
Trade Receivables	0.05	5.45	2.88	266.35

Particulars	As at 31st March,2026		As at 31st March,2025	
	Amount in Foreign Currency (in AED) (in Lacs)	Amount in ₹ (in Lacs)	Amount in Foreign Currency (in AED) (in Lacs)	Amount in ₹ (in Lacs)
Trade Payables	-	-	-	-
Trade Receivables	1.69	43.42	5.29	123.26

38. Employee Benefits

a) Defined Contribution Plans

The Company is regular in making contributions to Recognised Provident Fund (RPF), Employees State Insurance Scheme (ESIC) and other funds including Labour Welfare Fund for all regular employees or workers.

The amount of contributions to these funds are recognised as expense under the head “Employee Benefit Expenses” in the Statement of Profit and Loss as under:

(₹ in lakhs)

Particulars	As at 31st March,2026	As at 31st March,2025
Contribution to Recognised Provident Funds	139.58	95.30
Contribution to Employee State Insurance Corporation	32.92	26.66

b) Defined Benefit Plans

Gratuity

The company made contributions to Life insurance Company in respect of the Gratuity. Under Gratuity Act, Employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment.

Gratuity is classified as Defined Benefit plan as enterprise's obligation is to provide agreed benefits, subject to minimum benefits as subscribed by the Payment of Gratuity Act, to plan members. Actuarial & Investment risks are borne by the enterprise.

The Net Defined Benefit Liability/(Asset) is the Net (Surplus)/Deficit in the plan netted off by effect of Asset Ceiling, if any. It is arrived by deducting Fair Value of Plan Assets from the Defined Benefit Obligation as on the date of valuation.

As required under Para 67 of Ind AS 19 actuarial valuation is done using Projected Unit Credit Method. Under this method, only benefits accrued till the date of valuation (i.e. based on service upto date of valuation) are to be considered for valuation. Present value of Defined Benefit Obligation is calculated by projecting salaries, exits due to death, resignation and other decrements, if any, and project the benefit till the time of retirement of each active member using assumed rates of salary escalation, mortality &

employee turnover rates. The expected benefit payments are then discounted back from the future date of payment to the date of valuation using the assumed discount rate.

'Service Cost' is calculated seperately in respect of benefit accured during the current period using the same method as described above. However, instead of all accrued benefits, benefit accrued over the current reporting period is considered.

(₹ in lakhs)

Amount recognised in statement of Financial Position at Period End	**As at 31st March,2026**	**As at 31st March,2025**
Present Value of Unfunded Defined Benefit Obligation	283.52	159.11
Fair value of Plan Assets	125.90	117.45
Net Defined Benefit (Asset)/Liability Recognised in Statement of Financial Position	**157.62**	**41.66**

(₹ in lakhs)

Net Defined Benefit Cost/(Income) included in Statement of Profit & Loss at Period-End	**From 31st March,2025 to 31st March,2026**	**From 31st March,2024 to 31st March,2025**
Service Cost	41.94	30.85
Net Interest Cost	5.24	2.12
Past Service Cost	82.94	-
Total Defined Benefit Cost/(Income) included in Profit & Loss	**130.13**	**32.98**

(₹ in lakhs)

Current / Non-Current Bifurcation	**31st March,2026**	**31st March,2025**
Current Benefit Obligation	39.30	16.49

Non - Current Benefit Obligation	244.22	142.62
(Asset)/Liability Recognised in the Balance Sheet	**283.52**	**159.11**

(₹ in lakhs)

Analysis of Amounts Recognised in Other Comprehensive (Income)/Loss at Period-End	**From 31st March,2025 to 31st March,2026**	**From 31st March,2024 to 31st March,2025**
Amount recognized in OCI, Beginning of Period	5.43	6.40
Remeasurements due to :		
Effect of Change in financial assumptions	- 7.91	3.29
Effect of Change in demographic assumptions		-
Effect of experience adjustments	-5.77	3.27
(Gain)/Loss on Curtailments/Settlements		-
Return on plan assets (excluding interest)	-	-7.52
Changes in asset ceiling	-	-
Total remeasurements recognized in OCI	**-13.67**	**-.97**
Amount recognized in OCI, End of Period	**-8.24**	**5.43**

(₹ in lakhs)

Change in Defined Benefit Obligation during the Period	**From 31st March,2025 to 31st March,2026**	**From 31st March,2024 to 31st March,2025**
Defined Benefit Obligation, Beginning of Period	159.11	113.65
Net Current Service Cost	41.94	30.85
Interest Cost on DBO	13.20	8.06
Actual Plan Participants' Contributions		-

Actuarial (Gains)/Losses	- 13.67	6.55
Changes in Foreign Currency Exchange Rates	-	-
Acquisition/Business Combination/Divestiture	-	-
Benefits Paid	-	-
Past Service Cost	82.94	-
Losses / (Gains) on Curtailments/Settlements	-	-
Defined Benefit Obligation, End of Period	**283.52**	**159.11**

(₹ in lakhs)

Change in Fair value of Plan Assets during the Period	From 31st March,2025 to 31st March,2026	From 31st March,2024 to 31st March,2025
Fair value of Plan Assets, Beginning of Period	117.45	83.70
Interest Income Plan Assets	7.95	5.93
Actual Company Contributions	.50	20.29
Actual Plan Participants' Contributions	-	-
Actual Taxes Paid	-	-
Actual Administration Expenses Paid	-	-
Changes in Foreign Currency Exchange Rates	-	-
Actuarial Gains/(Losses)	-	7.52
Benefits Paid		
Acquisition/Business Combination/Divestiture	-	-
Assets extinguished on Settlements/Curtailments	-	-
Fair value of Plan Assets, End of Period	**125.90**	**117.45**

(₹ in lakhs)

Reconciliation of Balance sheet Amount	**From 31st March,2025 to 31st March,2026**	**From 31st March,2024 to 31st March,2025**
Balance Sheet (Asset)/Liability, Beginning of Period	41.66	29.94
True-up	-	-
Total Charge/(Credit) Recognised in Profit and Loss	130.13	32.98
Total Remeasurements Recognised in OC (Income)/Loss	-13.67	-.97
Acquisitions/Business Combinations/Divestitures	-	-
Actual Company Contribution / Benefit Payouts Directly by the Company	-.50	-20.29
Other Events	-	-
Balance Sheet (Asset)/Liability, End of Period	**157.62**	**41.66**

Demographic Assumptions Used to Determine the Defined Benefit Obligation	**From 31st March,2025 to 31st March,2026**	**From 31st March,2024 to 31st March,2025**
Withdrawal Rate	For service upto 3 years: 20% Thereafter: 10%	For service upto 3 years: 20% Thereafter: 10%
Mortality Rate	IALM (2012-14) Ult	IALM (2012-14) Ult
Retirement Age	60 years	60 years

Asset Category

Particulars	**As at 31st March,2026**	**As at 31st March,2026**	**As at 31st March,2026**
	Quoted Value	**Non-Quoted Value**	**Total**

Government of India Securities (Central and State)	-	-	-
High quality corporate bonds (including Public Sector Bonds)	-	-	-
Equity shares of the Company	-	-	-
Insurer Managed Funds & T-bills	-	100.00%	100.00%
Cash (including Bank Balance, Special Deposit Scheme)	-	-	-
Others	-	-	-

The scheme is funded through an 'Approved Trust'. The Trust has taken a Policy from the Life Insurance Corporation of India (LIC) and the management of the fund is undertaken by the LIC. We have been provided with the fund size of Rs12,590,013 as of the valuation date.

Sensitivity Analysis

Particulars	As at 31st March,2026	As at 31st March,2025
Defined Benefit Obligation - Discount Rate + 100 basis points	-15.91	-9.88
Defined Benefit Obligation - Discount Rate - 100 basis points	17.88	11.14
Defined Benefit Obligation - Salary Escalation Rate + 100 basis points	19.65	12.14
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	-17.76	-10.94

39.Ratios

Particular	Current Year 31st March 2026			Previous Year 31st March 2025			Variation (in%)	Reasons for variation
	Numerator	Denominator	Ratio	Numerator	Denominator	Ratio		
Current Ratio	40567.75	22552.00	1.80	28377.75	16950.50	1.67	7.45 %	The ratio has not been affected to major extent
Debt Equity Ratio	13046.06	32992.09	0.40	11244.53	26239.59	0.43	-7.72 %	The ratio has been affected due to increase in debt in proportion to profit.

Debt Service Coverage Ratio	9824.41	2465.35	3.98	6794.18	2323.44	2.92	36.28 %	The ratio has been affected to due to increase in profit.
Return On Equity	6734.60	32992.09	20.41%	3980.27	26239.59	15.17 %	34.57 %	The increase in Return on Equity is due to higher profitability and efficient use of shareholders' funds
Inventory Turnover	24081.02	8085.90	2.98	16541.24	8092.65	2.04	45.70 %	The ratio has been affected due to increase in inventory rotation & cost of consumption.
Trade Receivables Turnover Ratio	50308.34	21717.91	2.32	37019.70	13434.58	2.76	-15.94 %	The ratio has been affected due to increase in receivable in comparison to turnover.
Trade Payables Turnover Ratio	25317.25	7874.00	3.22	18755.88	5005.53	3.75	-14.19 %	The ratio has been affected due to increase in payables in comparison to purchase.
Working Capital Turnover Ratio	50308.34	18015.75	2.79	37019.70	11427.24	3.24	-13.80 %	The ratio has been affected due to increase in working capital requirements as a result of increase in receivable in comparison to turnover.

Net Profit Ratio	6734.60	50308.34	13.39%	3980.27	37019.70	10.75 %	24.51 %	Increased mainly due to higher revenue and improved cost efficiency
Return On Capital Employed	10046.25	45787.97	21.94%	6401.78	37322.64	17.15 %	27.92 %	The variation is due to increase in reserve and surplus .
Return On Investment	10046.25	45787.97	21.94%	6401.78	37322.64	17.15 %	27.92 %	The variation is due to increase in reserve and surplus .

40.Related Party Disclosures

Name of the Parties	Designation
Mr. Ramesh Kumar	Managing Director
Mr. Ajay Kumar Arora	Whole Time Director
Mr. Aditya Arora	Whole Time Director
Mrs. Geeta Arora	Whole Time Director
Mrs. Anju Arora	Whole Time Director
Mrs. Kanika Arora	Relative of Director
Mrs. Aastha Seth	Relative of Director
Mrs. Geetika Thukral (Geetika Arora)	Relative of Director
Mr. Kiran Kumar Verma	Independent Director
Mr. Pankaj Takkar	Independent Director
Mr. Ravi Shanker Singh	Independent Director
Mr. Kartik Kapur	Independent Director
Mr. Prashanth Vellanki	Independent Director
Mr. Vinod Kumar Sharma	Independent Director
Mr. Preetmohinder Singh Bedi	Independent Director
Mr. Bhavesh Mahajan	Independent Director
Kwality Pharmaceuticals Africa Limitada	Subsidiary
Iair Infocom Private Limited	Director Interested
Kaler Biopharmachem Private Limited	Director Interested

Name of the Related Parties	As at 31st March,2026	As at 31st March,2025
Transactions with Related Party		
Remuneration:		
Mr. Ramesh Kumar	84.00	72.00
Mr. Ajay Kumar Arora	84.00	72.00
Mr. Aditya Arora	54.00	48.00
Mrs. Geeta Arora	36.00	30.00
Mrs. Anju Arora	36.00	30.00
Mrs. Kanika Arora	3.00	3.00
Mrs. Aastha Seth	4.20	4.20
Mrs. Geetika Thukral (Geetika Arora)	6.00	6.00
Rent:		
Mr. Ramesh Kumar	1.08	1.08
Mr. Ajay Kumar Arora	1.08	1.08
Director Sitting Fees		
Mr. Kiran Kumar Verma	1.05	1.80
Mr. Pankaj Takkar	1.65	1.87
Mr.Ravi Shanker Singh	0.30	0.45
Mr. Kartik Kapur	0.10	0.15
Mr. Prashanth Vellanki	0.10	0.10
Mr. Preetmohinder Singh Bedi	1.00	-
Mr. Vinod Kumar Sharma	3.00	-
Mr. Bhavesh Mahajan	0.30	-
Balances with Related Parties at year end		
Subsidiary:		
Kwality Pharmaceuticals Africa Limitada (in form of Investment)	354.78	354.78

Kwality Pharmaceuticals Africa Limitada (in form of Debtors)	116.73	159.42
Other Related Party Transactions		
Iair Infocom Pvt. Ltd. (Purchase of services)	20.25	-
Kaler Biopharmachem Private Limited (Sale of goods)	121.48	-
Kaler Biopharmachem Private Limited (Sale return)	262.75	-
Kwality Pharmaceuticals Africa Limitada (Sale of Goods)	26.68	-
Iair Infocom Private Limited (Sales of Machine & Spares)	6.40	-

41.ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III OF COMPANIES ACT, 2013:

a) The Group has complied with the number of layers prescribed under the Companies Act, 2013.

b) Details of Benami Property held - No proceeding has been initiated or pending against the group for holding any Benami property under the Benami Transactions (Prohibition) Act,1988 (45 of 1988) and the rules made thereunder.

c) There has been no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

d) Utilisation of Borrowed funds: The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) 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 (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

e) Willful Defaulter - The Group is not declared willful defaulter by any bank or financial Institution or other lender during the year.

f) Registration of charges or satisfaction with Registrar of Companies - During the year, the Group has complied with the requirements for registration of charges on the assets of the Group with the Registrar of Companies.

g) The Group does not have any transactions with struck-off companies.

h) The Group has not traded or invested in crypto-currency or virtual currency during the current or previous year.

i) The previous year's figures have been regrouped wherever necessary to make them comparable to the current year's figures.

For VIJAY MEHRA & CO.
Chartered Accountants
(Firm's Registration No. 001051N)

For and on behalf of the Board of directors

Sd/-
CA AMIT HANDA
Partner
M. No: 502400
UDIN:- 26502400RQHPPT7813

Place: Amritsar
Date: 19-05-2026

Sd/-	**Sd/-**
Ramesh Kumar	**Ajay Kumar Arora**
Managing director	**Whole time director**
DIN:00462656	**DIN:00462664**
Sd/-	**Sd/-**
Gurpreet Kaur	**Aditya Arora**
Company Secretary	**Whole time Director &CFO**
	DIN:07320410

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with **amounts in Rs.**)

Sr. No.	Particulars	Details
1.	Name of the subsidiary	**Kwality Pharmaceuticals Africa Limitada**, Mozambique, Maputo Province, City of Matola
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Mozambican Meticals (MZN) 1MZN = 1.47 INR as on 31[ST] March 2026
4.	Share capital	88,67,500.00
5.	Reserves & surplus	(34535357.49)
6.	Total assets	1,26,36,109.25
7.	Total Outside liabilities	3,83,03,966.74
8.	Cash and Bank Balances	536432.88
9.	Turnover/Total Revenue	29,12,360.00
10.	Profit before taxation	(5771.56)
11.	Provision for taxation	-
12.	Profit after taxation	(5771.56)
13.	Proposed Dividend	-
14.	% of shareholding	51%

Notes: 1. Names of subsidiaries which are yet to commence Operations: - Nil

2. Names of subsidiaries which have been liquidated or sold during the year: - Nil

PART "B": Associates and Joint venture: Statement pursuant to section 129(3) of Companies act, 2013 related to Associates Companies and Joint ventures:- **Not applicable**

For and on behalf of the Board of directors

Sd/-	**Sd/-**
Ramesh Kumar **Managing director** **DIN:00462656**	**Ajay Kumar Arora** **Whole time Director** **DIN:00462664**
Sd/-	**Sd/-**
Gurpreet Kaur **Company Secretary**	**Aditya Arora** **Whole time Director &CFO** **DIN:07320410**

Place: Amritsar

Date:19-05-2026

KWALITY
PHARMACEUTICALS LTD

<u>Registered Office Address :</u>

Village Nag Kalan , Majitha Road

Amritsar 143601 , (Punjab) INDIA