Windlas Biotech Limited

Reg. Off.: 40/1, Mohabewala Industrial Area
Dehradun, Uttarakhand 248 110, India
Tel.:+91-135-6608000-30, Fax:+91-135-6608199

Corp. Off.: 705-706, Vatika Professional Point, Sector-66,
Golf Course Ext. Road, Gurgaon, Haryana 122 001, India
Tel.:+91-124-2821030

CIN-L74899UR2001PLC033407

August 18, 2023

To
Listing / Compliance Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001

BSE CODE: 543329

To
Listing / Compliance Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (E), Mumbai – 400 051

NSE SYMBOL: WINDLAS

Dear Sir/ Madam,

Re: Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Annual Report for the financial year ended 31st March, 2023

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), please find enclosed herewith Annual Report of the Company for the Financial Year 2022-23, along with the Notice of 22nd Annual General Meeting being sent to those Members by e-mail whose e-mail addresses are registered with the Company/ Depository Participant(s), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

The Annual Report is also uploaded on the website of the Company at www.windlas.com.

This is for your kind information and record.

Thanking you,

Yours faithfully,

For Windlas Biotech Limited

ANANTA
NARAYAN
PANDA

Digitally signed by ANANTA NARAYAN PANDA
DN: c=IN, postalCode=201014, st=UTTAR PRADESH, street=GHAZIABAD, l=GHAZIABAD, o=Personal, serialNumber=d2082d93e15965f73ffccb8ae875405ffd3ac4c1ae778b6f00eb6c4beaf55833, pseudonym=518ea108614c4998bf02594e40c0053f, 2.5.4.20=4f9344753f9c306bf372fbfc19d4b48e2058972a7ae663bdd5f59d14242d4bbd, email=ANANTPANDA@GMAIL.COM, cn=ANANTA NARAYAN PANDA
Date: 2023.08.18 16:20:54 +05'30'

Ananta Narayan Panda
Company Secretary & Compliance Officer

Encl: as above

Cc:

1. National Securities Depository Ltd. [E-mail: manish.sharma@nsdl.co.in]
2. Central Depository Services (India) Ltd. [E-mail: greeninitiative@cdslindia.com]
3. Link Intime India Private Limited [E-mail: rajiv.ranjan@linkintime.co.in]

Writing a new epic of growth and prosperity

Annual Report 2022-23

WINDLAS BIOTECH LIMITED

windlas

7 of 10 Top Indian Pharmaceutical Companies served by Windlas Generic Formulations CDMO Vertical

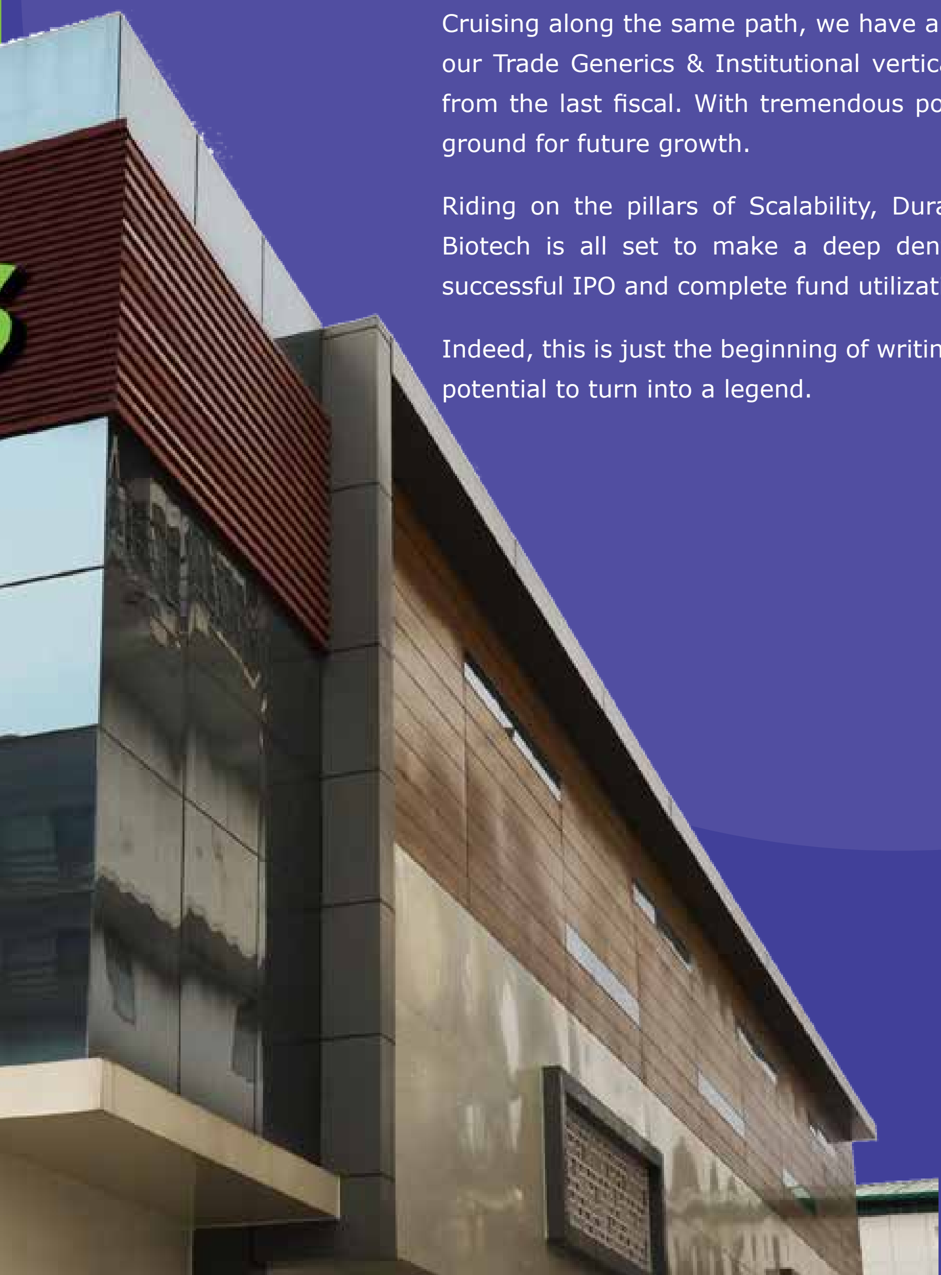
Writing a new epic of growth and prosperity

Windlas Biotech has become one of India's leading Generic Formulations CDMO manufacturers in a short span. We have done this with our commitment to all the stakeholders, from clients to investors. This pushes us to deliver not only high-quality products but also high profitability.

Cruising along the same path, we have also had a significant impact with our Trade Generics & Institutional vertical, which saw a growth of 49% from the last fiscal. With tremendous potential, this vertical will set the ground for future growth.

Riding on the pillars of Scalability, Durability and Profitability, Windlas Biotech is all set to make a deep dent in the industry following our successful IPO and complete fund utilization from the same.

Indeed, this is just the beginning of writing a success story that has every potential to turn into a legend.



Scan Me

Please find our online version at:
https://windlas.com/financial-information/financial-results/fy-22-23/

Investor Information

Market Capitalisation as at March 31, 2023	: ₹ 4755.9 Million
CIN	: L74899UR2001PLC033407
BSE Code	: 543329
NSE Symbol	: WINDLAS
Bloomberg Code	: WINDLAS:IN
Dividend (Proposed)	: ₹ 4.0
AGM Date	: September 12, 2023
AGM Venue	: Video Conferencing (VC)/Other Audio-Visual Means (OAVM)

Caution regarding Forward-looking Statements

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion on future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

Across the pages

Corporate Overview

Management Reports

Financial Statements

Windlas Biotech Limited – A brief introduction

Windlas is a homegrown Generic Formulations Contract Development and Manufacturing Organisation (CDMO) player. Across the value chain it provides a comprehensive range of CDMO products ranging from product development, licensing and commercial manufacturing of generic products, including complex generics for its domestic customers i.e. Generic Formulations CDMO vertical and consumers around the world i.e. Exports vertical. Our foray into Trade Generics and Institutional vertical delivers on our strategy of providing Accessible, Affordable and Authentic medicine to the under-served geographical areas of India situated in B & C class cities and small towns.

23 Years of Strong Lineage

Leading Name in Indian Generic Formulations CDMO sector

5370 Products Registered

57% revenue of Generic Formulations CDMO vertical comes from Chronic & Sub-chronic Therapy products

Rs. 5131 Million – Total Consolidated Revenues, FY23

1:5 One employee in Quality for every five employees

7 of 10 Top Indian Pharmaceutical Companies served by Windlas Generic Formulations CDMO vertical

99% Intellectual Property Rights of all the products are with Windlas

4 State-of-the-art Manufacturing Facilities (WHO GMP compliant)

7.4 Billion Manufacturing Capacities, per annum

10 Countries served with 74 products outside India.

76% of Generic Formulations CDMO products are Complex Generics

1049 Employees

Windlas Biotech Limited ('Windlas Biotech' or 'Windlas' or 'We') is a renowned quality pharmaceutical product developer and manufacturer of products to customers and consumers across India and some emerging markets, internationally. With over two decades of rich experience, we specialize in manufacturing Oral Solids Dosage and Oral Liquids Dosage (OSD/OLD) and progressing towards adding lyophilized dosage forms as well with in- progress expansion into injectables. Our expertise also extends to delivering specialty capabilities such as high potency, restricted chemicals, and low solubility products.

The CDMO Edge @Windlas

As a leading contract development and manufacturing organization (CDMO) in the pharmaceutical industry, Windlas Biotech offers a comprehensive range of products and services. From product development to licensing and commercial manufacturing of generic products, we cover every aspect of the pharmaceutical life cycle. Our strong proposition remains quality-driven instead of quantity-driven. Our commitment to excellence has positioned us among leading domestic Generic Formulations CDMOs, in India.

With a focus on innovation, reliability, and customer satisfaction, Windlas Biotech is committed to driving advancements in the pharmaceutical industry. We strive to meet the evolving needs of our clients, providing them with cutting-edge solutions and ensuring the highest level of service excellence.

Our Mission

To serve the unmet healthcare needs of society by accelerating drug research of our customers, by manufacturing high-quality products and by creating innovative solutions that improve affordability of medicines.

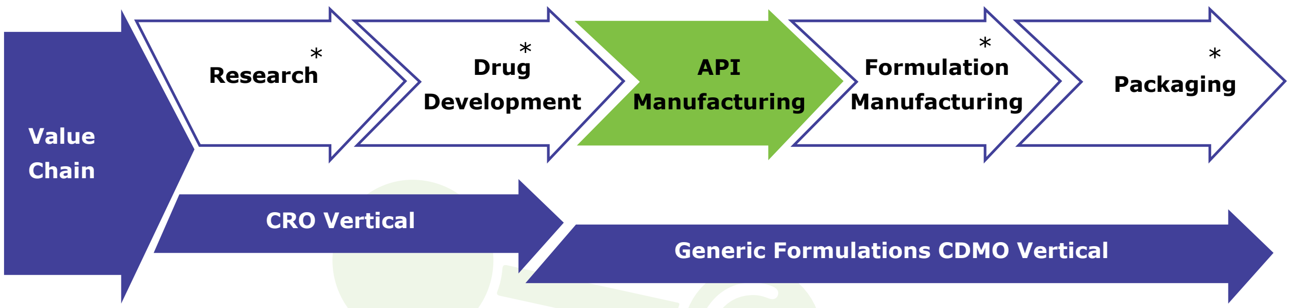
Our Vision for 2025

Our vision for 2025 is to be regarded as a leading partner of choice in the Indian pharmaceutical contract development and manufacturing space. We shall also be recognized as one of the fastest growing generic medicines company with a Pan-India distribution network. With manufacturing facilities approved by regulated and emerging market authorities, we export medicines and health products outside India. We pro-actively invest in research and development and bring to market a portfolio of unique IP protected products that add lasting value to the under-served patients.

Our Values

Our founding and governing principles keep us driving towards our team and individual objectives with a fair approach and productive engagement. Our values are:

- **Quality**
  - o Pay attention to detail and ensure standards that we can be proud of
  - o Do the right things right
  - o Commit to a mindset of personal excellence
- **Customer Orientation**
  - o Listen and respond to our stakeholders with a sense of urgency
  - o Make it easy to work with us
  - o Clearly communicate mutual intentions and expectations
- **Results Orientation**
  - o Set challenging goals and strive for achieving alignment and resonance
  - o Assume ownership and strive to execute flawlessly
  - o Confront constructively with solution mindset to solve problems
- **Discipline**
  - o Make and meet commitments
  - o Maintain uncompromising transparency, integrity and professionalism
  - o Plan, fund, staff and monitor projects properly and communicate with clarity
- **Working in Teams**
  - o Encourage diversity of perspectives and foster creative thinking and innovation
  - o Share credit fairly and give honest and timely feedback where required
  - o Reward informed risk taking and challenge status quo



Ever since our inception, we have worked in the CDMO niche of the Pharmaceutical industry. We believe in quality over quantity and our business model is finely aligned to this approach. We believe that we can add much better value to our customers' business and hence have a selectively exclusive presence across the entire pharma value chain.

With about 79% revenue contribution in FY 2022-23, Generic Formulations CDMO vertical forms the main stay of our business.

*Signifies Presence of Windlas Biotech in the Respective Verticals

At Windlas Biotech, we take pride in our highly skilled workforce of over 1,049 permanent employees along with an able support of contractual employees and staff to further strengthen our team. We operate from four (04) state-of-the-art manufacturing facilities located in Dehradun, Uttarakhand (India). These facilities enable us to maintain the highest standards of quality and ensure efficient production processes. Additionally, our robust distribution channel and dedicated sales force help us expand our reach in the Trade Generics & Institutional vertical, across the country to further strengthenour market presence.

Rapid growth and high potential Trade Generics & Institutional vertical

Having built large, high quality, well-certified and large capacity CDMO pharmaceutical business, we started capitalizing from the high potential Trade Generics & Institutional vertical that has shown rapid growth and higher share in total revenues of the Company from 13% in FY 2021-22 to 18% in FY 2022-23.

Export Vertical

As per Pharmaceuticals Export Promotion Council (Pharmexcil), India's pharmaceutical exports have maintained their upward trend, reaching $25.3 billion or approximately Rs. 2,08,231 Crores, for the financial year ending 31st March, 2023 amid all challenges in macro environment.

Our exports contribute about 4% to our total revenue. Exports vertical growth include expansion into semi regulated markets.

Windlas Journey - Scripting a timeline of excellence

Ever since our inception, our journey has been that of consistently growing, earning profits, investing back in business and growing further and diversifying revenue streams. We believe that if we follow excellence, success milestones will keep coming by. We are indeed proud of our history and are absolutely committed and highly excited for much brighter future for our Company.

From 1 plant in 2001 to 4 in 2023 and 5th under process

371 customers in Generic Formulations CDMO vertical

Licensed to manufacture 5,370 Products as of FY23

Top 10 customer contribution reduced to 42% in FY23

2001

Commenced operations at Dehradun Plant–I and initiated commercial production

2014

Received first USFDA inspection clearance

Revenues crossed Rs. 2000 Million for the FY 2013-14

Commenced operations at Plant-II

2015

Investment of Rs. 750 Million from Tano India Private Equity Fund II

2019

Capital expenditure of Rs. 120 Million towards addition to Fixed Assets

2022

Approval of Scheme of Amalgamation of Windlas Healthcare

Capital expenditure of Rs. 155 Million towards addition of Fixed Assets

Got listed on Exchanges in August 2021

2010

Commenced operations at Dehradun Plant –IV

Revenues crossed Rs. 1000 Million for FY2010

2018

Revenues crossed Rs. 3000 Million for the FY 2016-17

Launched first product in the United States from the Dehradun Plant –IV

Commenced operations at Dehradun Plant–III

Divestment of Windlas Healthcare to Cadila Healthcare

2020

Capital Expenditure of Rs. 152 Million towards addition to Fixed Assets

Acquired the erstwhile associate –Windlas Healthcare

2023

Buyback of Rs. 250 Million successfully completed

Dividend payments of Rs. 76 Million (Rs. 3.5 per share) for FY22

Trade Generics and Institutional vertical grew by 49% in FY2022-23 over FY2021-22

Capacity of Capsules/ Tablets increased from 5 Billion+ as of March 31, 2020 to 7 Billion+ as on March 2023

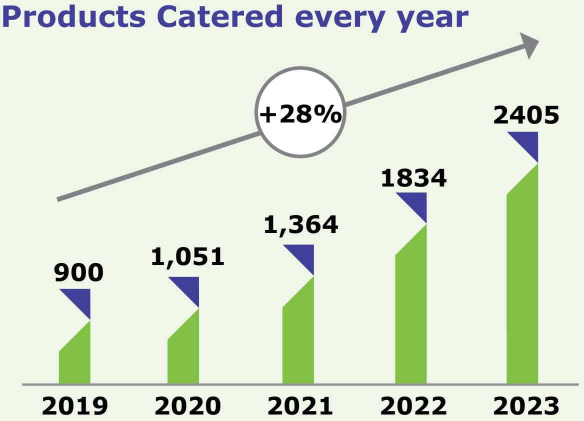
Windlas Products – Scripting Therapeutic Excellence For Customer Success and Consumer Delight

Providing highest quality, dosage & usage variety, timely delivery and competitively priced products to our customers. Providing ease and excitement for consumers' medicinal therapy and medicine consumption.

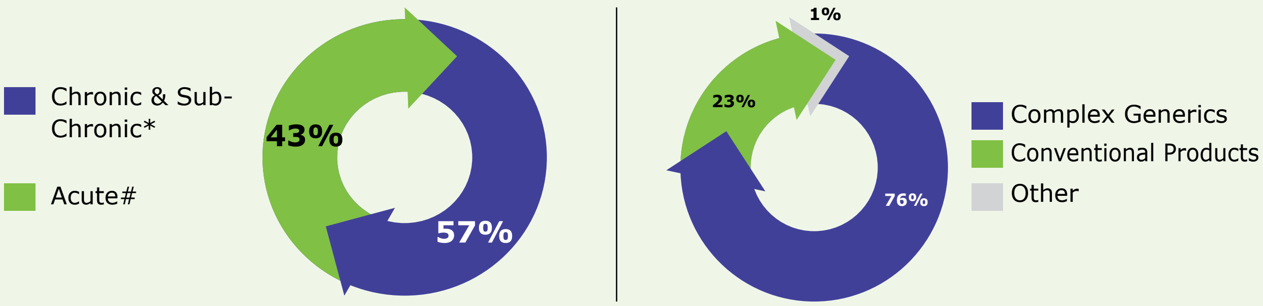
We believe if we address these two propositions of our immediate customers and their end consumers, we are and will be relevant, sustainable and profitable.

At Windlas, we have been investing in consistently expanding product portfolio, quality of products, product innovation, therapeutic focus, solutions for the end consumer and growing our own brands for Trade Generics & Institutional Business.

No. of Generic Formulations CDMO Products Catered every year



Portfolio Bifurcation as % Total Revenue from Operations FY23



As a growth-aligned product strategy in CDMO Business, we focus on high potential, high growth, chronic & sub-chronic therapy products. Within the products, we have higher share of Complex Generics that also proves our research & development capabilities.

* Chronic and sub-chronic, such as anti-diabetic, cardiovascular, neuropsychiatry, respiratory health and nutraceuticals; and

\# Acute, such as gastroenterology, vitamins, minerals and supplements ("VMS"), analgesic, dermatological and cough/cold.

At Windlas, we have two major verticals in terms of sales channel in India namely Generic Formulations CDMO Vertical (79% of total revenues) and Trade Generics and Institutional Vertical (18% of total revenues) while we export to 10 countries (4% of total revenues). The sheer dynamics of these verticals brings in the diversity in our product portfolio and approach to product categorization.

Products update in Generic Formulations CDMO Vertical (CDMO Vertical)

Under our CDMO vertical, we provide products across a wide range of pharmaceutical and nutraceutical genetic products. We do generic product development, product licensing and commercial manufacturing of these products, for leading Indian and Global pharmaceutical companies. In our case we own all intellectual property related to the formulation development, manufacturing process and technology and the regulatory permissions for almost all products.

We have been consistently, consciously and strategically growing our CDMO vertical products over the years. In FY 2022-23, we have catered 2,405 products under this vertical.

While the mainstay of our products under CDMO Vertical is focused around solid and liquid dosage as of now, however, the on-going expansion plan for injectable products is expected to give further growth and higher margins in future.

Products update in Trade Generics and Institutional Vertical

A large market and fast growth pace coupled with right capabilities leading to next level of growth for the vertical as well as the Company as a whole.

Looking at this phenomenal potential and growth pace, Windlas has aligned to tap this immense opportunity through the dedicated vertical of Trade Generics and Institutional vertical. Under this vertical we produce, package and market generic products, to institutions or Distributors in the market. The

278 – no. of Brands in Trade Generics and Institutional Vertical

products under this vertical are sold mostly under our own brands.

Being in right place, at right time with right capabilities is yielding us the success par or above expectations in this vertical.

Products update in Exports Vertical

At Windlas, having a strong domestic business, we started exports in the financial year 2002-03 with products in Nigeria market. Ever since the start of exports, we have been keeping a steady business share of exports, hovering around 4% of our total revenues .

As a strategy, we are focusing on Emerging & Semi-Regulated Markets in present phase which includes 10 countries.

74 Products exported to 10 countries in FY 2022-23

Windlas manufacturing capabilities – Our growth anchor

Our world-class manufacturing infrastructure is our biggest asset and biggest strength. From our 1st plant in 2001, we have come a long way to establish 4 state-of-the-art (WHO-GMP compliant) OSD plants and are in the process of completion of 5th plant for Injectables.

Total Installed Operating Capacity per Annum:

In **FY 2021-22**, our total installed operating capacity per annum was **7,064 Million** for Tablets & Capsules, **54 Million** packs for Pouch & Sachet categories and **61 Million** for Liquid Bottles.

Moving into **FY 2022-23**, we further enhanced our capabilities, reaching a total installed operating capacity per annum of **7,322 Million** for Tablets & Capsules and maintaining a capacity of **54 Million** packs for Pouch & Sachet categories and **61 Million** for Liquid bottles.

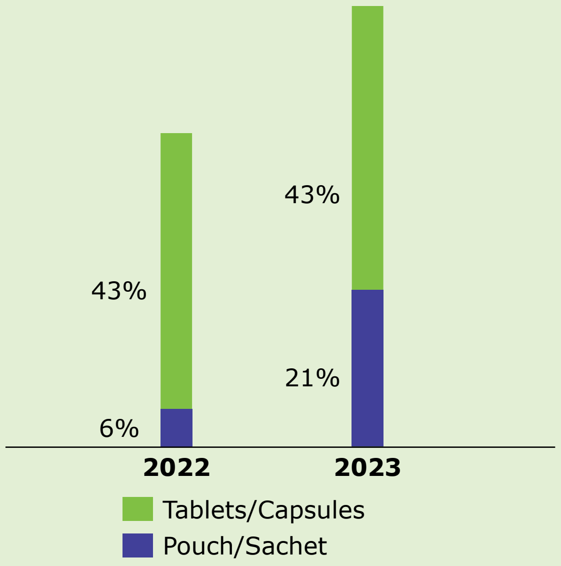
Rs. **313*** Million – Total Capex during FY 2022-23

Gross block of Fixed Assets Rs. **2,091 Millions** as of March 2023

1 employee in Quality for every 5 employees

*Excluding ROU & intangibles including intangible under development

Category Wise Capacity Utilization % for FY 2021-22 & FY 2022-23



Total Capacity Utilization

In the fiscal year 2022, our **Tablets/Capsules capacity utilization** stood at 42.7%, while **Pouch/Sachet** achieved a utilization rate of 5.5%.

Moving into the fiscal year 2023, we witnessed improvement in our capacity utilization, reaching **Tablets/Capsules** utilization rate of 43.3%, **Pouch/Sachet**, on the other hand, experienced a remarkable surge in utilization, reaching 20.9%.

We are dedicated to continuous improvement, leveraging our expertise and resources to ensure efficient utilization of our capacities across all categories.

Plant-wise details of manufacturing facilities:

1

DEHRADUN PLANT-I

situated at 40/1, Mohabewala Industrial Area, Dehradun in Uttarakhand, has been operating successfully since its inception in 2001.

Plant quality certifications & regulatory approvals: WHO GMP, Food Safety and Standards Authority of India (FSSAI) and ISO 22000.

2

DEHRADUN PLANT-II

situated at Khasra no. 141 to 143 and 145, Mohabewala Industrial Area, Dehradun in Uttarakhand, has been successfully operating since 2014.

Plant quality certifications & regulatory approvals: WHO GMP, FSSAI: Unique features: Plant is with paperless Quality Management System and Paperless Training System along with paperless Document management System and paperless Enterprise Resource planning.

3

DEHRADUN PLANT-III

situated at Plot no. 39, Pharma City Selaqui Industrial Area, Dehradun in Uttarakhand, has been operational since 2018.

Plant quality certifications & regulatory approvals: WHO GMP: Unique features: Plant is with paperless Quality Management System, Paperless Training System along with paperless Document management System and paperless Enterprise Resource planning.

4

DEHRADUN PLANT-IV

situated at Plot no. 183 and 192, Mohabewala Industrial Area, Dehradun in Uttarakhand, has been successfully operating since its establishment in 2009.

WHO-GMP, South Africa Healthcare Product Agency (SAHPRA), EU-GMP, Philippines GMP Certificate (PICs)

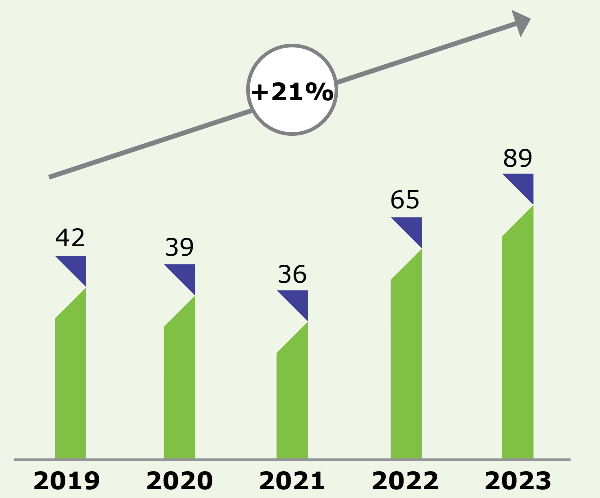
Windlas R&D – The backbone of breakthroughs

Being R&D driven, being closer to customer expectations and aligned with market trends, allows a business to thrive amid all the ups and downs of the business journey.

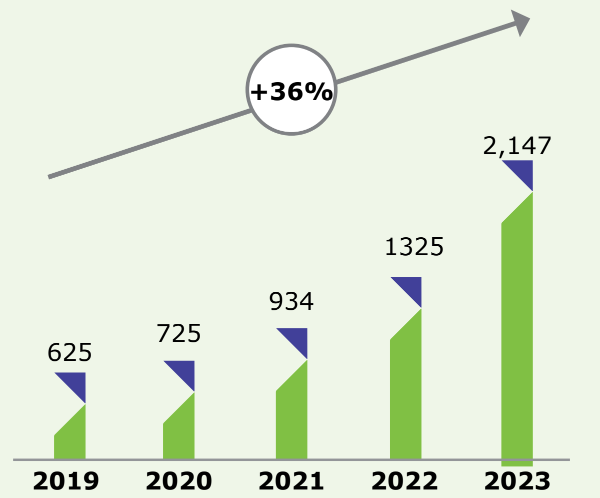
At Windlas, we have been consistently investing in R&D. In view of our business model and our unique proposition as a leading player in Generic Formulations CDMO sector, it is imperative to have a consistent and healthy investment in R&D function. As a strategic priority, we focus on low cost, First-to-launch generic products.

At 1.74% of revenue, Our R&D expenditure for FY 2022-23 stood at Rs. 89 Million which was 37% up from Rs. 65 Million in FY 2021-22. Our R&D expenditure have grown at 21% CAGR between FY 2018-19 and FY 2022-23.

Consistent in R&D Expenditure
(Rs. in million)



Robust Growth in Complex Generics
(No. of Variations in Complex Generics)



Our breakthrough product innovations

Chocolate flavored chewable tablets

Dispersible tablets

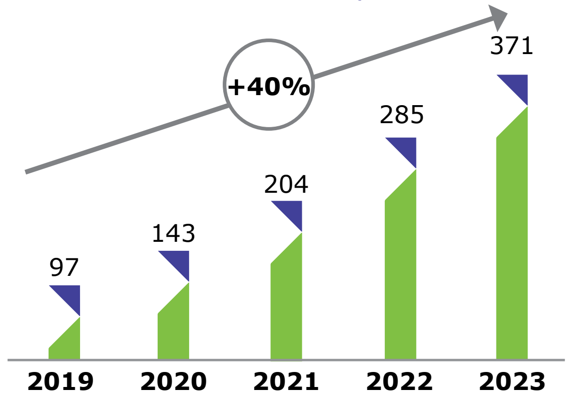
Sustained release products

Novel Formulations of Existing Molecules

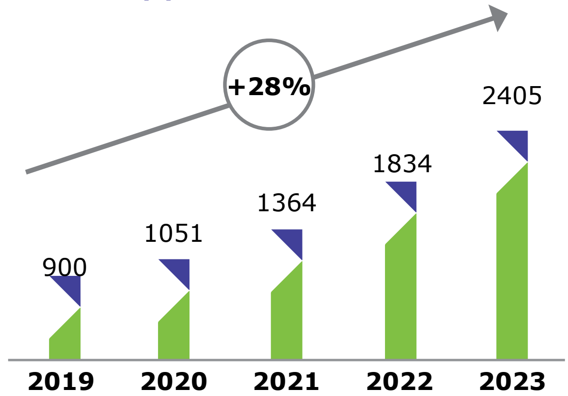
Operational Highlights across Business Verticals

Generic Formulations CDMO Vertical

Added New Customers at a rapid pace
(No. of CDMO Customers cater to)

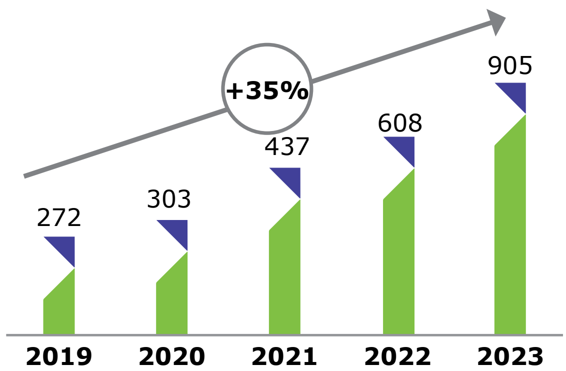


No. of Generics Formulations CDMO Products Catered every year

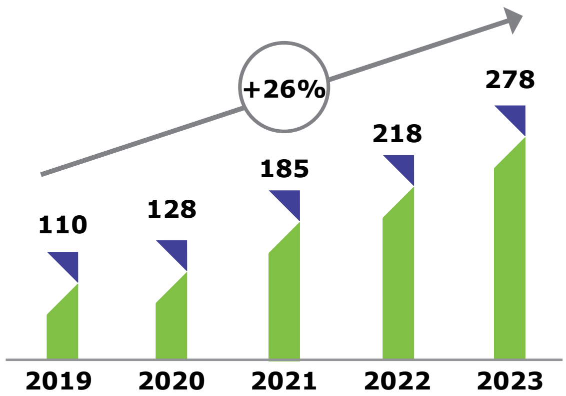


Trade Generics and Institutional Vertical

Fastest Growing SBV in the last three years chart



Number of Brands on growing at a healthy pace



Exports vertical

Exported 74 Products during FY 2022-23

Exports SBV Revenues clocked at Rs. **198 Million**

10 Countries served outside India

Windlas Biotech Limited – Strategic Roadmap

FY 2022-23 has been an year of good financial performance at the Corporate level as well as at the vertical level

Leading in Generic Formulations CDMO status benefits the company from the Industry consolidation trend in an already highly fragmented market with 400 Organized and 15,000 unorganized players

Injectables: On going new plant for ampoules, vials and lyophilized vials to foray into injectables business

Focus on fast growing Trade Generics & Institutional SBV and growing ROW Exports: Focus on already high growth Domestic Trade Generics & Institutional Brands SBV & high growth export markets and capitalize on industry opportunities

Leveraging our leadership in the Generic Formulations CDMO industry: Capitalize on 14% growth of Domestic Generic Formulations CDMO industry & outsourcing Trend of the Indian Generic Formulations CDMO Industry; further capitalize on our capabilities in making complex products, and the PLI Scheme 2

Increase Customer Base: Continue to leverage being among the few players with wide range of Generic Formulations CDMO offering and experience in providing customer-centric additive manufacturing solutions to further increase the customer base

Innovation & Product Development: Continue to focus on expanding the product development and manufacturing capabilities in complex generic products and take advantage of the near-term patent expiry of key molecules

Sustainable Business Model

Capitals Engaged

Financial Capital
Our strong capital base, as well as diversified sources (Equity, Debt) of funding that are used to support our clients for credit extension

Manufactured Capital
Our capital consists of all the tangible assets we rely on, to conduct our operations and business activities

Intellectual Capital
Our intangible assets include our brand, reputation, technology-based infrastructure, strategic partnerships with third-party payment interfaces, tie-ups with banks to process loans, manage risks and deliver effective customer service

Human Capital
Our team, with their experience and skills to develop and deliver our lending solutions to the customers

Inputs

- **4 Plants**
  Manufacturing Facilities Located at Dehradun in Uttarakhand
- **7,322 million**
  Tablets & Capsules Manufacturing Capacity
- **54 million**
  Pouch & Sachet Manufacturing Capacity
- **61 million**
  Liquid Bottles Capacity

- **₹ 89 Million**
  Spent in R&D
- **5,370**
  Products Licensed for Manufacturing

- **1049**
  Total Number of Employees
- **₹ 703 Million**
  Employee Benefit-Cost
- Providing Various Training and Skill Development Programme

- **₹ 8.4 Million**
  Amount Spent for CSR Activities
- **₹ 144 Million**
  Tax Expense
- **695**
  Dealers and Distributors Network

Key Value Drivers

Our Mission
To serve the unmet healthcare needs of society by accelerating drug research of our customers, by manufacturing high-quality products and by creating innovative solutions that improve affordability of medicines.

Our Vision for 2025
Our vision for 2025 is to be regarded as a leading partner of choice in the Indian pharmaceutical contract development and manufacturing space. We shall also be recognised as one of the fastest-growing generic medicines companies with a pan-India distribution network. With manufacturing facilities approved by regulated and emerging market authorities, we export medicines and health products outside India. We proactively invest in research and development and bring to market a portfolio of unique IP protected products that add lasting value to the under-served patients.

Business Activities

Output

Our Values

The principles towards which we consciously strive collectively & individually and measure our own performances are:

Quality

- Pay attention to detail and ensure standards that we can be proud of
- Do the right things right
- Commit to a mindset of personal excellence

Customer Orientation

- Listen and respond to our stakeholders with a sense of urgency
- Make it easy to work with us
- Clearly communicate mutual intentions and expectations

Results Orientation

- Set challenging goals and strive for achieving alignment and resonance
- Assume ownership and strive to execute flawlessly
- Confront constructively with a solution mindset to solve problems

Discipline

- Make and meet commitments
- Maintain uncompromising transparency, integrity and professionalism
- Plan, fund, staff and monitor projects properly and communicate with clarity

Working in Teams

- Encourage diversity of perspectives and foster creative thinking and innovation
- Share credit fairly and give honest and timely feedback where required
- Reward informed risk taking and challenge status quo

Business Activities

Research → Drug Development → Formulation Manufacturing → Packaging

Output

- ₹5,131 Million
  Revenue from Operations
- ₹426 Million
  Profit after Tax
- ₹19.7
  Earnings per Share
  (EPS on closing number of shares is 20.4)
- 18%
  Return on Capital Employed

- 15
  No. of Investors Meeting Held
- 12
  No. of Investor Grievances Resolved

During FY 2022-23, your Company served as CDMO to seven of the top ten Indian Pharmaceutical Companies. In domestic Trade Generics and Institutional vertical, we are dedicated to deliver Authentic, Affordable and Accessible medication to the under-served regions of India i.e. greater than 6.5 lac villages and small "kasbas" where almost 70% of India's population is residing and which still faces problems in accessing quality healthcare.

A Message from the Managing Director

Dear Shareholders,

I am happy to communicate with you regarding the successful conclusion of a favorable year marked by robust performance across various parameters. I trust this correspondence finds each of you in good health. The fiscal year 2023 presented us with both challenges and significant events. It was characterized by geopolitical uncertainties, post-pandemic shifts in demand, supply volatility, and a notable increase in energy costs. Despite these hurdles, I am pleased to inform you that our Company achieved its highest-ever revenue and profitability during FY 2022-23. The overall Indian pharmaceutical market expanded by 9.3% in FY 2022-23, while Windlas surpassed this growth with an impressive 10% rise in revenues for the fiscal period.

Within India, we have been one of the leading Domestic Generic Formulations CDMO Companies. We have positioned the Company as an integrated Contract Development and Manufacturing Organization, providing generic pharmaceutical formulations for our domestic customers. We have maintained our focus on chronic and sub-chronic therapeutic segments which are growing diseases segments due to changes in lifestyle and eating habits across the population. These segments typically require multi-drug treatments wherein our capabilities in fixed dosage combinations and modified release formulations are in high demand.

You will be happy to learn that during FY 2022-23, your Company served as CDMO to seven of the top ten Indian Pharmaceutical Companies. In domestic Trade Generics and Institutional vertical, we are dedicated to deliver Authentic, Affordable and Accessible medication to the under-served regions of India i.e., greater than 6.5 lacs villages and small "kasbas" where almost 70% of India's population is residing and which still faces problems in accessing quality healthcare. By participating in institutional purchases of government programs

Across all three verticals we continue to own all intellectual property related to the formulation development, manufacturing process and technology and the regulatory permissions for almost all products. In Trade Generics and Institutional we additionally own the brand name of the marketed products as well.

like Jan-Aushadhi we have aligned synergies with the Government of India's plans, programs and vision to take quality and affordable healthcare to all. We continue to build our export vertical through renewal and filling of additional dossiers in different geographies.

Across all three verticals we continue to own all intellectual property related to the formulation development, manufacturing process and technology and the regulatory permissions for almost all products. In Trade Generics and Institutional vertical we additionally own the brand name of the marketed products as well.

In alignment with our objective of building and sharing value for our stakeholders, we generated robust operating cash flows, fully utilized the IPO proceeds, successfully concluded a share buyback and disbursed dividends while maintaining a balance-sheet that is not only net-debt free but also having a strong liquidity position.

Key priorities for FY 2023-24

We have a strong leadership team, a motivated workforce, WHO GMP compliant manufacturing plants, long term client relationships and a strong product portfolio. These drivers position us well for growth in FY 2023-24 and our top priorities for the coming fiscal are -

- Achieving sustainable and profitable business expansion
- Continuing to enhance our already strong balance sheet.
- Commissioning our Injectable Plant
- Focus on operational efficiency while complying with cGMP norms and ensuring strict Quality control measures.
- Pursuing inorganic growth opportunities to expand company's business and increase its market share.

We take pride in our best-in-class quality track record and our "patient first" approach to building our company. As we step into the new financial year, I extend my heartfelt gratitude to all my colleagues for their tireless dedication and resolute commitment. I would also like to express my thanks to our valued customers, suppliers, regulators, shareholders, and the Board members for their unwavering support.

I look forward to your continued support and co-operation.

Warm regards,
Hitesh Windlass
Managing Director

Performance across our Strategic Business Verticals
We remain focused on growing this vertical through improved client penetration, growth of new customer accounts and growth of product portfolio offered to customers. In the fiscal year 2023, our CDMO vertical achieved a growth of 5% (Rs. 3842 Million to Rs. 4028 Million) as compared to the 0.1% volume growth of the overall pharma market during the same period.

A Message from the Chief Executive Officer

Dear Shareholders,

I am honored to establish a connection with you through the Annual Report for the fiscal year 2023. I trust this message finds you in a state of well-being and good health.

In the period under review, the Company has successfully demonstrated its commitment to enriching shareholder value and upholding the trust reposed in us. Despite the challenging business environment of low volume growth, the company has exhibited growth across various operational and financial metrics.

During FY 2022-23, your company progressed with its operations with astute focus on growth and expansion, while upholding a strong commitment to establishing sustainability in our operations and fostering future business growth. I am pleased to present key highlights from the fiscal year 2023:

- **Revenue Growth:**
  The revenue for FY 2022-23 reached Rs. 5131 million, marking a 10% YoY increase.
- **Profitability Growth:**
  The EBITDA reached Rs. 602 million, a growth of 15% YoY.
- **Robust Net Operating Cash Flow Generation:**
  Net operating cash flow of Rs. 610 million was generated which highlights the strong focus on profit to cash conversion by the company.
- **Strong Liquidity position:**
  Free cash balance of Rs. 1378 million as on March 31, 2023, while rewarding shareholders through dividend and buyback program. This strength allows the Company to maintain smooth business operations under unanticipated contingencies and also to explore growth through inorganic means.

Our expansion within the Exports vertical includes venturing into semi-regulated markets. However, it's important to note that the growth in export markets is subject to a certain gestation period.

- **Dividend:**
  In line with our dividend policy and our philosophy of sharing returns with stakeholders, the company paid 20% of its consolidated net profits of FY 2021-22 i.e., Rs. 76 million (Rs. 3.5 per share) to shareholders.

- **Buy back of equity shares:**
  We concluded the buyback of 995,800 equity shares between November 21, 2022, and May 03, 2023, amounting to Rs. 250 million with no promoter participation. This buyback helped us return surplus funds to the shareholders, while enhancing return on equity and increasing long-term shareholder value.

- **Completed the utilisation of IPO proceeds**
  We utilized the entire IPO proceeds of Rs. 1650 million prudently in alignment with the stated objectives in our prospectus.

- **Progress on Injectable Facility:**
  The construction of the injectable plant is in full swing and we expect to achieve mechanical completion by the end of Q2 of FY 2023-24. The entire proceeds earmarked for the injectables facility were utilized by March 2023.

Performance across our Strategic Business Verticals

We remain focused on growing this vertical through improved client penetration, growth of new customer accounts and growth of product portfolio offered to customers. In the fiscal year 2023, our CDMO vertical achieved a growth of 5% (Rs. 3842 million to Rs. 4028 million) as compared to the 0.1% volume growth of the overall pharma market during the same period.

- Within the Domestic Trade Generics and Institutional vertical, our strategic priorities encompass the introduction of new products, amplifying institutional sales, and fortifying our robust distribution network. The growth trajectory of the generics sector in India is set to be boosted by government policies fostering the acceptance and reliance on generic medications e.g., Jan Aushadhi etc. The Trade Generics and Institutional business displayed remarkable progress, expanding from Rs. 608 million in FY 2021-22 to Rs. 905 million in FY 2022-23, thereby achieving an impressive YoY growth of 49%.

- Our expansion within the Exports vertical includes venturing into semi-regulated markets. However, it's important to note that the growth in export markets is subject to a certain gestation period. The revenue derived from the Exports vertical for FY 2022-23 amounted to Rs. 198 million, as compared to Rs. 209 million in FY 2021-22, indicating a marginal YoY decrease of 5%.

The principal message that we would like to send out is that we have a strong position across all our financial, operational and compliance parameters and that we are poised to bring growth across all verticals.

Regards,

Komal Gupta
Chief Executive Officer

Board of Directors

Vivek Dhariwal - Chairman and Independent Director

Mr. Vivek Dhariwal is Chairman of the Board and Independent Director. Mr. Dhariwal has over 22 years of experience with expertise in manufacturing and supply chain operations. Mr. Dhariwal was previously associated with ICI India Ltd, Baxter India Private Ltd and Pfizer Ltd. He holds a Bachelor's degree in Chemical Engineering from IIT-Bombay and a Master's degree in Chemical Engineering from the University of Kentucky, U.S.

Ashok Kumar Windlass - Whole Time Director

Mr. Ashok Kumar Windlass holds a diploma in civil engineering from Government Polytechnic, Ambala City. He has over 54 years of experience in the manufacturing and pharmaceutical business in India. He is one of our Promoters and one of the founders of our Company. He is one of the first directors of our Company and was appointed as the Managing Director of our Company on April 1, 2001 and subsequently appointed as the Wholetime Director on May 3, 2021. He plays a significant role in the administration, legal and engineering functions of our Company. He has been conferred Uttarakhand Ratan at the 38thAnnual All India Conference of Intellectuals organised by All India Conference of Intellectuals in 2018.

Hitesh Windlass - Managing Director

Mr. Hitesh Windlass holds a bachelor's degree in ceramic engineering from the Indian Institute of Technology, Banaras Hindu University and a master's degree in business administration from the Graduate School of Business, University of Chicago. He has set up our Domestic Trade Generics, OTC Brands and Exports SBVs and plays a significant role in driving the technical operations, quality, R&D, manufacturing strategy and financial strategy of our Company. He has over 21 years of experience in the field of management. He was previously associated as a process engineer with Intel Corporation, USA. He joined our Company on January 21, 2008 as Director and was appointed as Managing Director of our Company on April 30, 2020.

Manoj Kumar Windlass – Joint Managing Director

Mr. Manoj Kumar Windlass is the Joint Managing Director of our Company. He holds a bachelor's degree in business administration from Georgia State University, Atlanta. He has over 17 years of experience in product development, operations, procurement and portfolio functions of the medicine business. He has set up our CDMO Services and Products SBV and plays a significant role in driving the product portfolio decisions and overall commercial operations including business development, supply chain and procurement of our Company. He joined our Company on April 1, 2006 as a Director of our Company and was appointed as Joint Managing Director of our Company on April 30, 2020.

Pawan Kumar Sharma – Executive Director

Mr. Pawan Kumar Sharma is serving as Executive Director on the Board of Directors of Windlas Biotech Limited. Mr. Sharma is associated with Windlas Biotech Limited since April 1, 2001. Mr. Sharma has over 22 years of experience in the pharmaceutical industry. He holds a bachelor's degree in Law from Hemwati Nandan Bahuguna Garhwal University, Srinagar (Garhwal). Mr. Sharma's expertise in the field of Law, helps as a big contributor in the Company's compliance and legal matters.

Prachi Jain Windlass – Non-Executive Director

Ms. Prachi Jain Windlass is serving as a Non-Executive Director on the Company's Board. She holds a Bachelor's degree in Technology from the IIT, Delhi; Master's degree in Science from the University of Southern California; and an MBA from the University of Chicago. She is presently also associated with Michael & Susan Dell Foundation and was previously associated with Boston Consulting Group.

Srinivasan Venkataraman – Independent Director

Mr. Srinivasan Venkataraman is serving as Non-Executive Independent Director on the Company's Board. Mr. Venkataraman is Chartered Accountant by profession and is a Fellow member of the Institute of Chartered Accountants of India. He was previously associated with Wealth Tree Advisors, Hines, Aon Global Insurance Services, and Lovelock & Lewes.

Gaurav Gulati – Independent Director

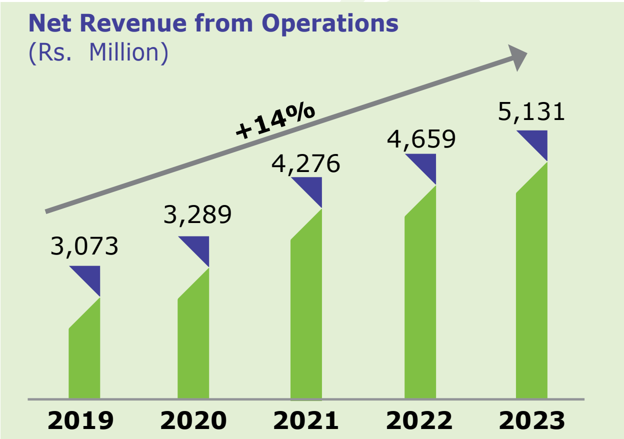
Mr. Gaurav Gulati is serving as Non-Executive Independent Director on the Company's Board. Mr. Gulati holds a Bachelor's degree in Science (Computer Science) from the University of Illinois and he is an MBA from Booth School of Business, U.S. He was previously associated with Oyo Hotels and Homes Private Limited.

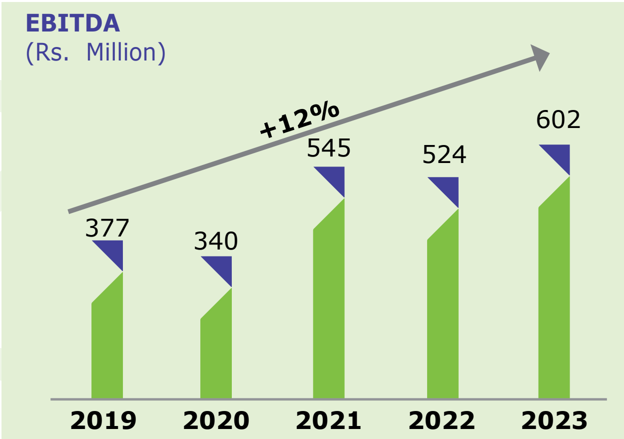
Financial Performance – Scripting Financial Excellence

FY 2022-23 has been an year of improved financial performance at the Corporate level as well as at the vertical level

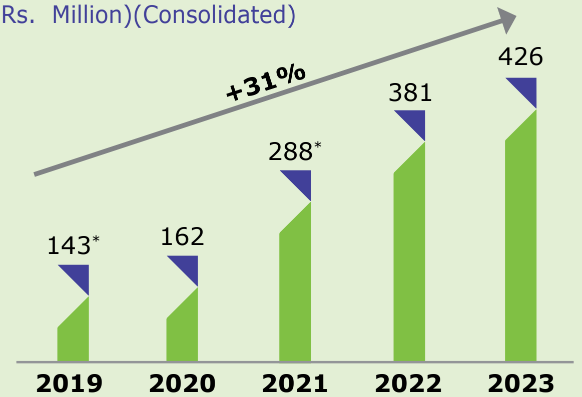
Particulars (Rs. **Million)**	**FY23**	**FY22**	**FY21**	**FY20**	**FY19**
Net Revenue from Operations	**5,131**	**4,659**	**4,276**	**3,289**	**3,073**
COGS	3,254	3,028	2,744	2,116	1,919
Gross Profit	**1,876**	**1,631**	**1,532**	**1,173**	**1,153**
Gross Margin (%)	***36.6%***	***35.0%***	***35.8%***	***35.7%***	***37.5%***
Employee Expenses	703	634	583	436	430
Other Expenses	571	473	404	397	346
EBITDA	**602**	**524**	**545**	**340**	**377**
EBITDA Margin (%)	***11.7%***	***11.3%***	***12.7%***	***10.3%***	***12.3%***
Other Income	100	67	31	25	43
Finance Costs	8	14	13	25	48
Depreciation	124	121	130	93	106
PBT before exceptional items	**570**	**456**	**434**	**247**	**266**
Taxes	144	75	62	85	123
Reported PAT	**426**	**381**	**156**	**162**	**638**
Exceptional (Expense)/Gain	-	-	-216	-	495
Tax benefit due to merger with Windlas Healthcare	-	-	83	-	-
Adjusted PAT	426	381	289	162	143
Adjusted PAT Margin (%)	**8.3%**	**8.2%**	**6.8%**	**4.9%**	**4.6%**
Adjusted Earnings Per Share (EPS)	**19.70**	18.58	15.99	8.90	8.42

Financial Performance: Windlas Biotech Limited Historical Financial Performance



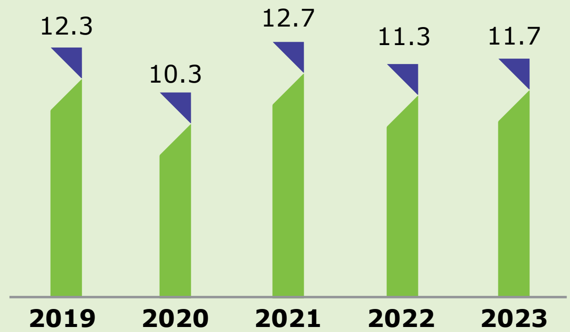


PAT
(Rs. Million)(Consolidated)

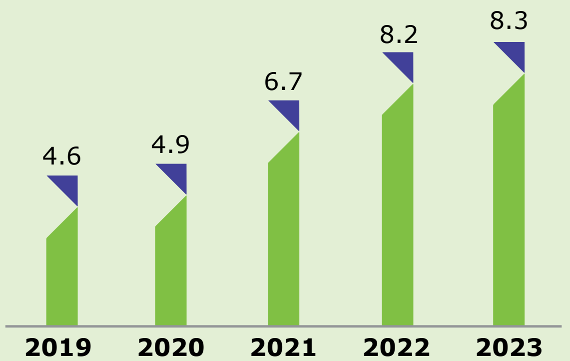


*Adjusted for exceptional items in FY19 (Positive impact of Rs. 495 Million) and FY21 (Negative Impact of Rs. 216 Million)

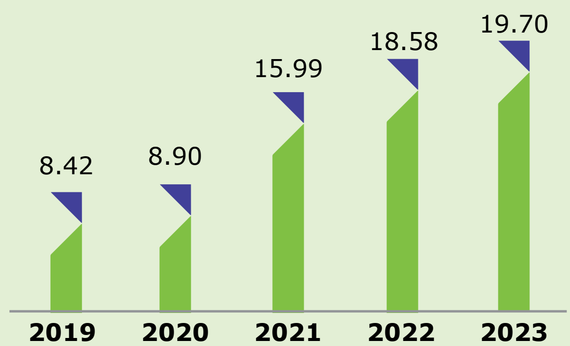
EBITDA (%)



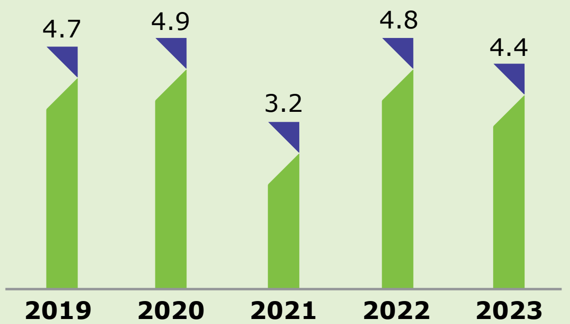
PAT Margin (in %)



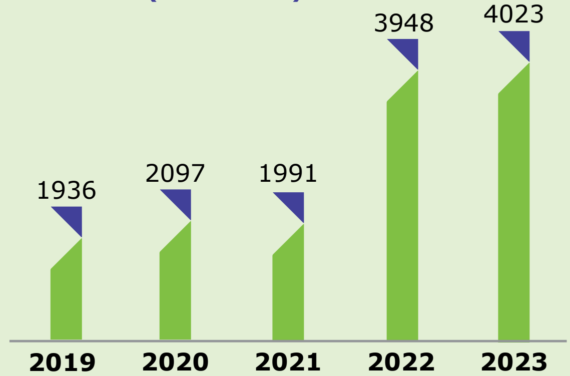
EPS



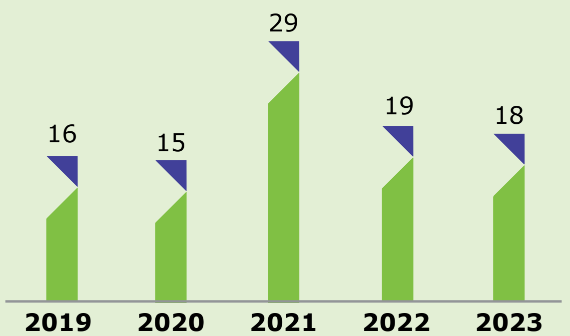
Asset Turnover Ratio



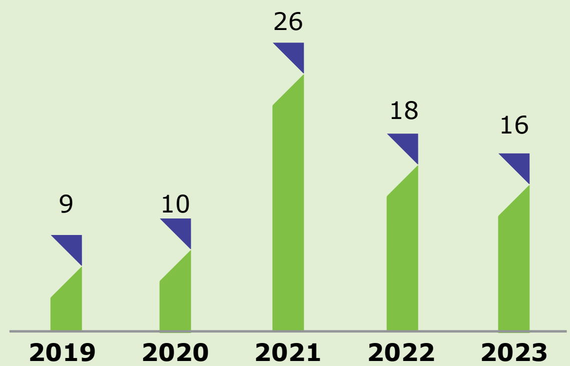
Net Worth (Rs. **Million)**



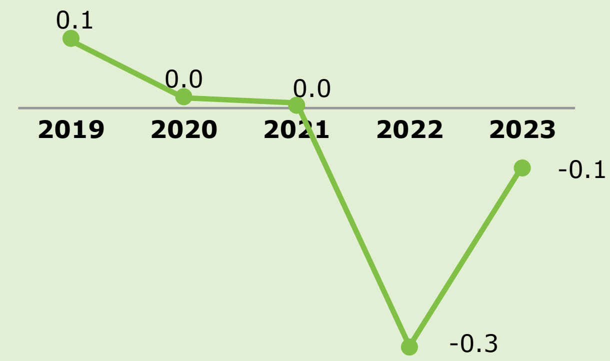
ROCE (in %)



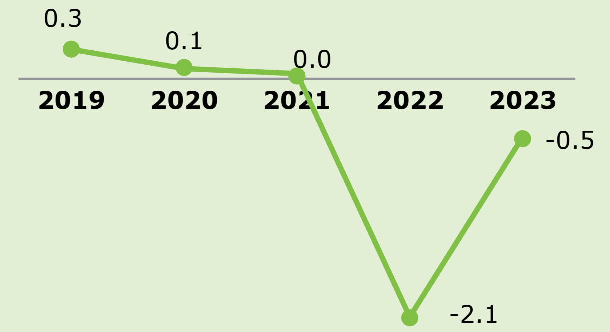
ROE (in %)



Net Debt to Equity (x)



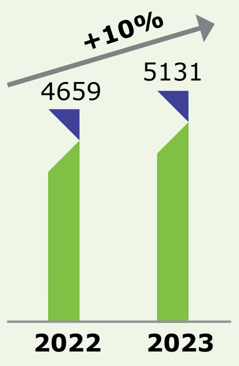
Net Debt to EBITDA (x)



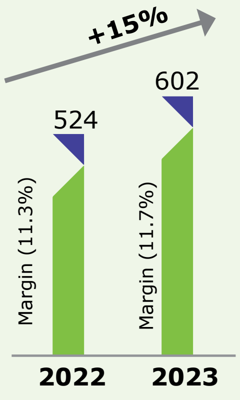
Financial Performance Highlights – FY23

- Revenue Rs. 5131 Million FY23 Vs. Rs. 4659 Million in FY22, 10% growth
- EBITDA Rs. 602 Million Vs. Rs. 524 Million in FY22, 15% growth
- Generated net operating cash flows of Rs. 610 Million during FY23
- Strong liquidity of Rs. 1378 Million as on 31st March 2023
- Dividend pay out of 76 Million (Rs. 3.5 per share) related for FY22 as per the Dividend distribution policy
- Successfully completed Share Buyback to the tune of Rs. 250 Million
- IPO funds fully utilized

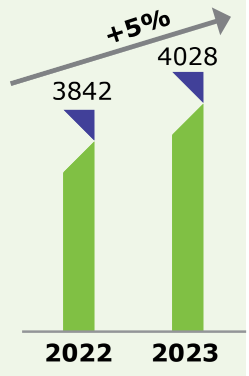
Revenue (Rs. Million)



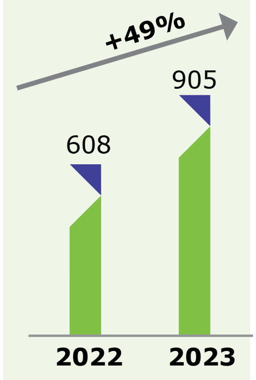
EBITDA (Rs. Million)



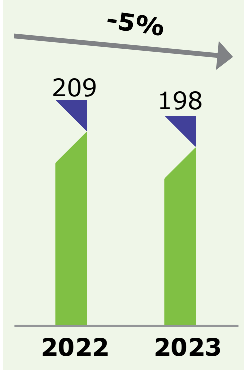
Generic Formulations CDMO (Rs. Million)



Trade Generics & Institutional (Rs. Million)

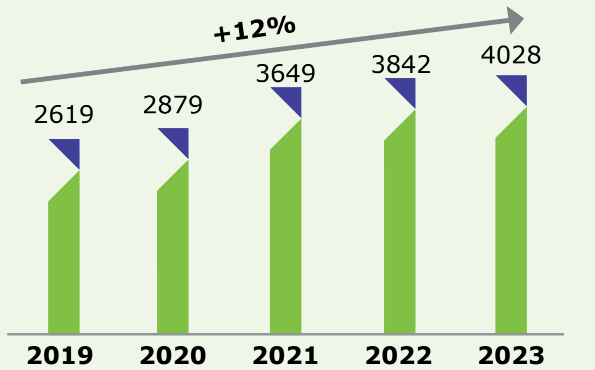


Exports (Rs. Million)

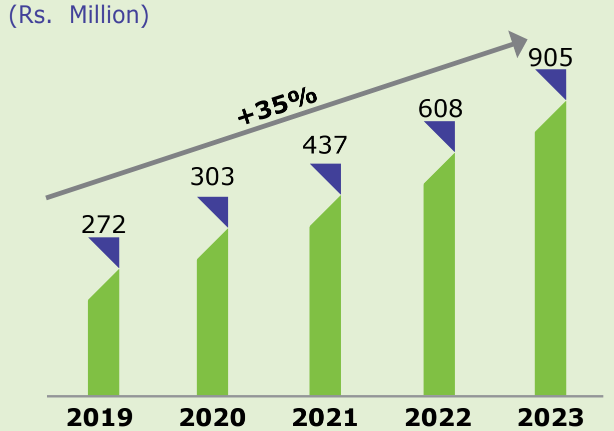


Consolidated | **Vertical Revenue**

Generics Formulations CDMO Revenue grew with a CAGR of 12%
(Rs. Million)



Trade Generics & Institutional Revenue
(Rs. Million)



Windlas Cares - Driving Inclusive Community Development

Community development is a paramount goal for us, as it is integral to the progress of our Company and the society as a whole. We actively participate in various Corporate Social Responsibility (CSR) programs to support the growth of communities. By collaborating with recognized organizations, we contribute to meaningful initiatives aimed at building a stronger society.

Through our CSR efforts, we have made a significant impact on communities across Windlas reach. Our focus areas include food and education, healthcare, animal medicine/feed, and environmental preservation.

Educational Initiatives: Empowering Through Education

Education is a fundamental right, empowering individuals and transforming lives. We support underprivileged students by covering their tuition and exam fees, providing them with necessary books and dresses. In collaboration with Shishu Shiksha Samiti, we have distributed computers to students of Saraswati Vidya Mandir, Manduwala, Dehradun. These efforts aim to enhance access to education and create a brighter future for all.

Healthcare Services: Enabling Access to Medical Support

We believe that quality healthcare should be accessible to everyone. To support the

underprivileged sections of society, we provide free medical services directly or through organizations like Smile India Trust and Swami Vivekanand Health Mission. During the renowned Kumbh festival, we distributed Oximeters and hand sanitizers, ensuring the well-being of participants. Additionally, we have extended our support by distributing free medicine to those in need.

Rs. **8.39 Million Amount invested for CSR activities during FY23**

Through our social initiatives, we strive to make a meaningful difference in the lives of individuals and communities. By nurturing our employees and engaging in impactful CSR initiatives, we are committed to driving inclusive development and fostering a brighter future for all.

Employee Engagement: Nurturing Knowledge and Skills

At Windlas Biotech, we firmly believe that our employees are our greatest asset. We are committed to their growth and development, recognizing that their well-being is essential to our success and the prosperity of our communities. They remain at the core of our thought process, driving our social initiatives and shaping our vision for a brighter future.

We prioritize the growth of our workforce, understanding that our company's success is intrinsically linked to their professional advancement. We foster a cohesive and healthy work environment, enabling seamless evolution in alignment with technological advancements. With 1049 employees, we also collaborate with third-party personnel companies to provide contract labor as needed for specific assignments.

Regular training and development programs are conducted to unlock our employees' potential, enhance productivity, achieve operational excellence, and maintain high-quality and safety compliance standards. We organize training workshops that equip our personnel with diverse skills, fostering teamwork and personal growth. To retain our talented workforce, we have introduced the ESOP 2021 to motivate them for the future and elevate their performance.

Management Discussion and Analysis

ECONOMIC OVERVIEW

WORLD ECONOMY VIS-À-VIS INDIAN ECONOMY

India's growth continues to be resilient despite some signs of moderation in growth, says the World Bank in its latest India Development Update, the World Bank India's biannual flagship publication. The Update notes that although significant challenges remain in the global environment, India is one of the fastest growing economies in the world.

Many market analysts believe that this could well be India's decade. This is despite the World Bank's fear that the ongoing slump in global economic growth will likely result in a "lost decade". There are enough reasons and data to back this claim. Despite continuing global uncertainties, recent data revisions by India suggest that the economy has fared better than previously believed. The International Monetary Fund (IMF) expects India to grow by 5.9% in FY 2023-24 and by an average rate of 6.1% over the next five years.

The Reserve Bank of India has withdrawn accommodative measures to rein in inflation by hiking the policy interest rate. India's financial sector also remains strong, buoyed by improvements in asset quality and robust private-sector credit growth. Increase in domestic consumption is another bright spot in the growth of Indian Economy.

With the impacts of the COVID-19 pandemic still reverberating worldwide, the war in Ukraine ignited a new crisis, disrupting food and energy markets, and worsening food insecurity and malnutrition in many developing countries. High inflation unleashed an erosion of real incomes and a global cost-of-living crisis that has pushed millions into poverty and economic hardship. Persistently high inflation, which averaged about 9 per cent in 2022, has prompted aggressive monetary tightening in many developed and developing countries.

The central government is likely to meet its fiscal deficit target of 5.9 percent of GDP in FY 2023-24 and combined with consolidation in state government deficits, the general government deficit is also projected to decline. As a result, the debt-to-GDP ratio is projected to stabilize. On the external front, the current account deficit is projected to narrow to 2.1 percent of GDP from an estimated 3 percent in FY 2022-23 on the back of robust service exports and a narrowing merchandise trade deficit.[1]

INDUSTRY OVERVIEW

Indian Pharmaceutical Market in the context of Global Pharmaceutical Market

Global Pharmaceutical Market size was valued at USD 209.85 billion in 2021 and is poised to grow from USD 222.4 billion in 2022 to USD 352.98 billion by 2030, growing at a CAGR of 5.9% during the period 2023-2030.The pharmaceutical sector has grown quickly in recent years, and by 2023 it is anticipated to reach USD 1.5 trillion[2].

In contrast, the India Pharmaceutical Market is expected to register a CAGR of 10.7% during Year 2023 to 2028, which is almost twice the global growth rates. India is the largest supplier of generic medicines. It manufactures about 60,000 different generic brands across 60 therapeutic categories and accounts for 20% of the global supply of generics. Because of the low price and high quality, Indian medicines are preferred worldwide, making it "pharmacy of the world".[3] The Indian Pharmaceutical industry plays a prominent role in the global pharmaceutical industry. Major segments of Indian Pharmaceutical Industry include generic

1 World Bank - India Development Update (World Bank press release dated 4th April 2023
2 Sky Quest report
3 https://www.investindia.gov.in/sector/pharmaceuticals

drugs, OTC medicines, bulk drugs, contract research & manufacturing, biosimilars and biologics.

India also is home to more than 3,000 pharma companies with a strong network of over 10,500 manufacturing facilities as well as a highly skilled resource pool.

Trend in Pharmaceutical Industry

After a shock in 2020, growth rates in Global Pharmaceutical markets are back to pre-pandemic levels in most segments.[4] The growth is mainly driven by innovative drugs and an increasing demand for healthcare, especially in emerging countries. Compared to the revenue generated by prescription drugs, OTC pharmaceutical only play a minor role. The market for prescription drugs, for its part, is dominated by original products. This means that the larger number of OTC products, generics, and biosimilars sold cannot counterbalance the significantly higher prices of original products.

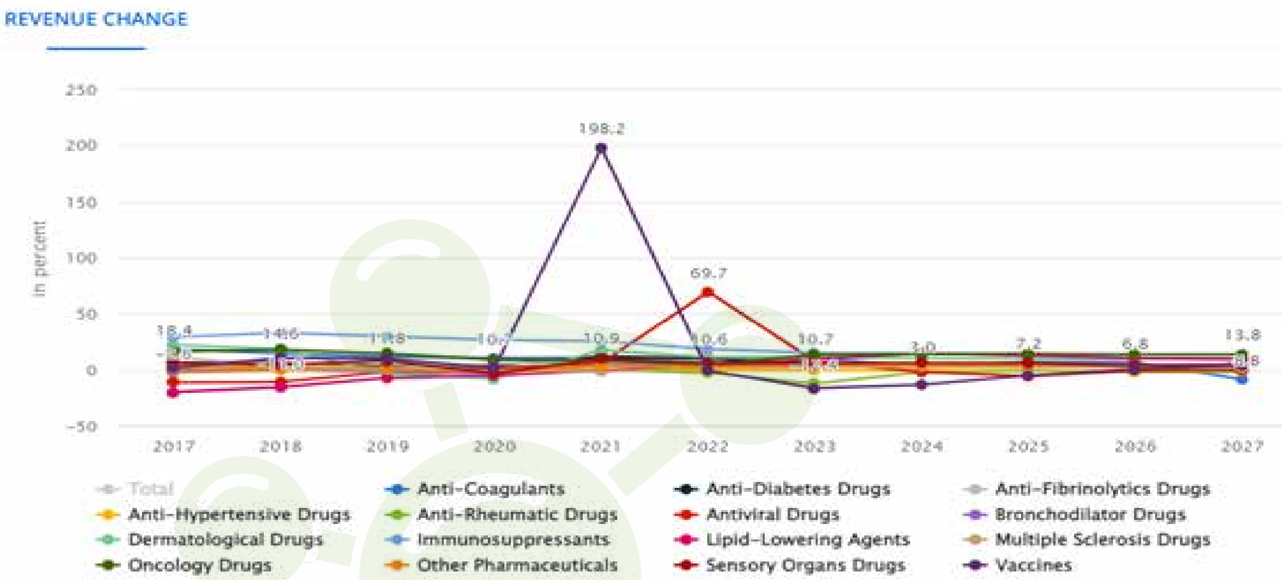
Compared to other countries, India's pharmaceutical and healthcare industry has grown tremendously in the recent years, and overall outlook remains robust and positive. India has a large pool of scientists and engineers with a potential to steer the industry ahead to greater heights. India is rightfully known as the "pharmacy of the world" due to the low cost and high quality of its medicines.

Indian pharmaceutical industry is known for its generic medicines globally. Transformed over the years as a vibrant sector, presently Indian Pharma ranks third in pharmaceutical production by volume. The Pharma sector currently contributes to around 1.72% of the country's GDP.

Major growth drivers in India Pharmaceutical market are under-served market, penetration, coverage, upcoming patent expiries and Government policies that promote generic acceptance and dependency for e.g., Ayushman Bharat and Jan Aushadhi Yojna.

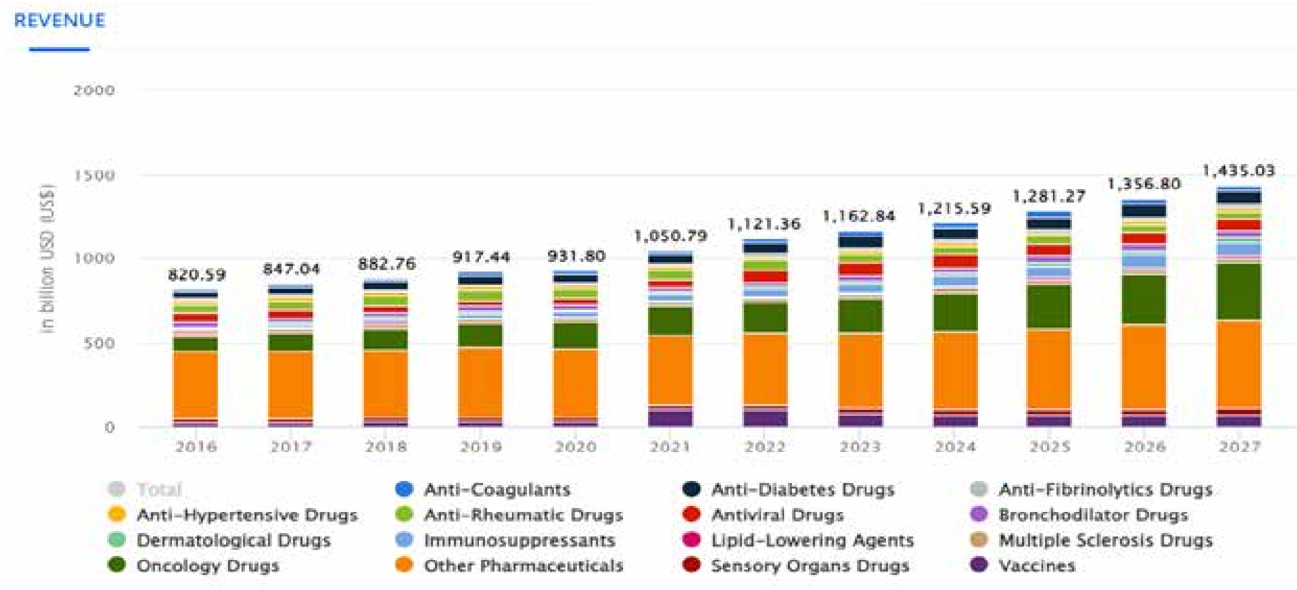
The Pharma sector has seen a lot of investments and developments in the recent past:

- The cumulative FDI equity inflow in the Drugs and Pharmaceutical industry is US$ 21.22 billion during the period April 2000-December 2022. This constitutes almost 3% of the total FDI inflow received across sectors.
- The foreign direct investment (FDI) inflows in the Indian drugs and pharmaceutical sector reached US$ 1,414 million between in FY 2021-22.
- The Indian pharmaceutical industry generated a trade surplus of US$ 15.81 billion in FY22



Most recent update: May 2023
Source: Statista Market Insights

4 https://www.statista.com/outlook/hmo/pharmaceuticals/worldwide#analyst-opinion



Notes: Data shown is using current exchange rates and reflects market impacts of the Russia-Ukraine war.
Most recent update: May 2023
Source: Statista Market Insights

Some of the initiatives taken by the Government to promote the pharmaceutical sector in India are as follows:

- Ayushman Bharat Digital Mission (ABDM):
- Under the ABDM, citizens will be able to create their ABHA (Ayushman Bharat Health Account) numbers, to which their digital health records can be linked. This will enable creation of longitudinal health records for individuals across various healthcare providers and improve clinical decision making by healthcare providers.
- The pilot of ABDM is completed in the six Union Territories of Ladakh, Chandigarh, Dadra & Nagar Haveli and Daman & Diu, Puducherry, Andaman and Nicobar Islands and Lakshadweep with successful demonstration of technology platform developed by the NHA.
- During the pilot, digital sandbox was created in which more than 774 partner solutions are undergoing integration. As on February 21, 2022, 173,369,087 Ayushman Bharat Health Accounts have been created and 10,114 doctors and 17,319 health facilities have been registered in ABDM.
- Scheme for Development of Pharma industry – Umbrella Scheme:
  - The Department of Pharmaceutical has prepared an Umbrella Scheme namely 'Scheme for Development of Pharma industry'. Which comprises of the following sub schemes:
  - Assistance to Bulk Drug Industry for Common Facilitation Centres
  - Assistance to Medical Device Industry for Common Facilitation Centres
  - Assistance to Pharmaceutical Industry (CDP-PS)
  - Pharmaceutical Promotion and Development Scheme (PPDS)
  - Pharmaceutical Technology Upgradation Assistance Scheme (PTUAS)
- As per the Union Budget 2022-23:
  - Rs. 3,201 crore (US$ 419.2 million) has been set aside for research and Rs. 83,000 crore (US$ 10.86 billion) has been allocated for the Ministry of Health and Family Welfare.

- Rs. 37,000 crore (US$ 4.83 billion) has been allocated to the 'National Health Mission'.
- Rs. 10,000 crore (US$ 1.28 billion) has been allocated to Pradhan Mantri Swasthya Suraksha Yojana.
- The Ministry of AYUSH has been allocated Rs. 3,050 crore (US$ 399.4 million), up from Rs. 2,970 crore (US$ 389 million).

- In May 2021, under Atmanirbhar Bharat 3.0, Mission COVID Suraksha was announced by the Government of India to accelerate development and production of indigenous COVID vaccines. To augment the capacity of indigenous production of Covaxin under the mission, the Department of Biotechnology, Government of India, provided financial support in the form of a grant to vaccine manufacturing facilities for enhanced production capacities, which is expected to reach >10 crore doses per month by September 2021.
- The Indian Government has taken many steps to reduce costs and bring down healthcare expenses. The National Health Protection Scheme, which aims to offer universal healthcare, the ageing population, the rise in chronic diseases, and other government programmes, including the opening of pharmacies that offer inexpensive generic medications, should all contribute to boost the Indian pharmaceutical industry. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

The favorable growth conditions and support from the government are paving the way for exponential growth in the India Pharma Industry. With the Indian Economy becoming the 5th largest in the world, there is no better time for India to take the front seat as the global producer of quality pharmaceutical products.

GLOBAL PHARMACEUTICAL CDMO MARKET ANALYSIS

Global Contract Development and Manufacturing Organization (CDMO) market size was USD 217.6 billion in 2021 and is poised to grow from USD 237.62 billion in 2022 to USD 524.67 billion by 2023, growing at a CAGR of 9.2% during the period 2023 -2030.[5]

The Global CDMO Companies are managing both the discovery and invention of new pharmacological compounds as well as their outsourced manufacturing. In order to shorten the timetable involved in the drug development process, many Innovators Pharmaceutical companies are strategically partnering with CDMOs. Innovators have a very high margin profile which enables them to involve CDMOs right from drug discovery stage and share the margins.

INDIA CDMO MARKET ANALYSIS

The Pharmaceutical Contract Development and Manufacturing Organization (CDMO) Market revenue in India was valued at USD 15.63 billion in 2023. It is expected to reach USD 26.73 billion by 2028, growing at a CAGR of 11.34% during the forecast period (2023-2028).

The pharmaceutical sector in India produces a variety of bulk pharmaceutical, which are active pharmaceutical ingredients that serve as the basic raw materials for formulations. Formulations comprise the remaining four-fifths of the industry's output, with bulk pharmaceuticals making up about one-fifth.

With a CAGR of 11.34% over the course of the projected period, India is the CDMO market's largest and fastest-growing geographical region. This is because of the enormous and quickly expanding population, which is demanding better access to medications. Additionally, the emergence of low-cost generics has made pharmaceutical more accessible, which has contributed to the region's market growth. CDMOs are prospering because of an increase in the

5 https://www.skyquestt.com/report/contract-development-and-manufacturing-organization-outsourcing-market

Injectable Drug Market Data

GDP per capita, government healthcare initiatives, and an increase in the rate of urbanization, all of which have increased access to pharmacies and doctors for large segments of the population.[6]

Indian CDMOs are serving mainly to the Generic players as against Global CDMOs serving to Innovators. Windlas is the CDMO of choice for the Generic Players for Indian and overseas markets. Our core area of activity is developing and manufacturing generic medicines for Indian and overseas markets.

GLOBAL INJECTABLE DRUG MARKET

The injectable drugs market is expected to be valued at USD 510.32 billion in year 2022, with a CAGR of 7.88% over a period of year 2023-2028.

The rising prevalence of chronic diseases such as cancer, diabetes, cardiovascular diseases, and others is the key factor driving the market growth. Furthermore, the rising focus of companies on developing injectable drugs for new therapeutic classes is expected to increase their adoption by physicians and patients and their availability in the market, which in turn is anticipated to fuel market growth.

6 https://www.mordorintelligence.com/industry-reports/pharmaceutical-contract-development-and-manufacturing-organization-cdmo-market

INDIAN INJECTABLE DRUG MARKET

The Government of India is extensively investing in research and development (R&D) activities to support the introduction of innovative generic injectables and provide effective drug administration, thereby enabling faster recovery of patients. This, along with the expanding healthcare industry, is contributing to the growth of the market in the country.

The Indian Market is expected to reach US$ 4.9 Billion by 2028, exhibiting a CAGR of 12.4% during the period (2023-2028).[7]

COMPANY OVERVIEW

Windlas is a homegrown Generic Formulations Contract Development and Manufacturing Organization (CDMO) player. Across the value chain it provides a comprehensive range of CDMO products ranging from product development, licensing and commercial manufacturing of generic products, including complex generics for its domestic customers i.e., Generic Formulations CDMO vertical and consumers around the world i.e., Exports vertical. Our foray into Trade Generics and Institutional vertical delivers on our strategy of providing accessible, affordable and authentic medicine to the under-served geographical areas of India situated in B & C class cities and small towns.

7 IMARC Report 2022

Across all three verticals we continue to own all intellectual property related to the formulation development, manufacturing process and technology and the regulatory permissions for almost all products.

As on March 31, 2023, we have license to manufacture 5,370 products across our plants with an installed annual capacity of 7438 million. As of now, the Company has four OSD/OLD manufacturing facilities located in Dehradun, Uttarakhand, India. We are also in the process of setting up our fifth Injectables plant in Dehradun.

We are proud to say that during FY 2022-23, the Company has catered Generic Formulations CDMO products to seven of top ten and fifteen of the top twenty Indian Pharmaceutical Formulations Companies. Over the years, we have been growing our Trade Generics and Institutional vertical through channel partners, enhancing product portfolio and expanding in new geographies.

Our mission

Windlas Biotech Limited's mission is to serve the unmet healthcare needs of society by accelerating drug research of our customers, by manufacturing high-quality products and by creating innovative solutions that improve affordability of medicines.

The Company aims to accelerate the drug research of our clients, manufacture complex products at high volume and create innovative solutions that improve the affordability of medicines for all.

The Company's objective has been to serve the people at the bottom of the pyramid. We endeavor to serve this large market by providing quality products at affordable prices and making health benefits available to the most marginalized and remotely distant population. We have aligned synergies with the Govt. of India's plans, programs and vision to take quality and affordable healthcare to all.

Our Expertise

Manufacturing

We have manufacturing capabilities for both solid and liquid pharmaceutical dosage forms. Our capabilities include:

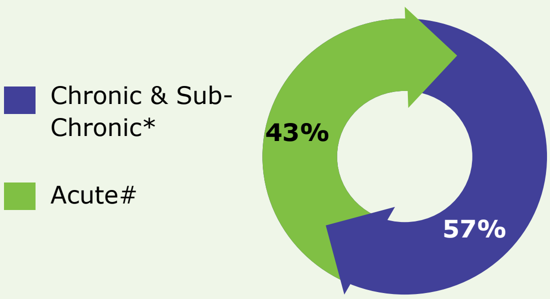
- formulation development,
- technology scale-up and
- full-scale commercial manufacturing.

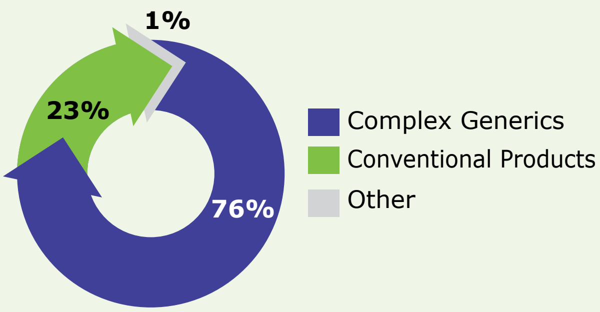
At our state-of-the-art plants, we manufacture:

- Formulations,
- Solid Pharmaceutical Dosage Forms
- Liquid Pharmaceutical Dosage Forms

Our product portfolio predominantly overlaps with Fast Growing Chronic segment and Complex Generic segment:

Portfolio Bifurcation as % of Total Revenue from Operations FY23





* Chronic and sub-chronic, such as anti-diabetic, cardiovascular, neuropsychiatry, respiratory health and nutraceuticals; and

\# Acute, such as gastroenterology, vitamins, minerals and supplements ("VMS"), analgesic, dermatological and cough/ cold.

Research and Development (R&D) at its Core

- The Company is focused on developing and launching new complex generic products:

  i) which are difficult to handle or formulate,
  ii) needs extended-release profile,
  iii) needs pairing with a device to make a drug-device combo primarily in solid and liquid pharmaceutical dosage forms to provide specialized capabilities to our customers especially for high potency, controlled substances, and low-solubility products.

- Our R&D laboratory is recognized as an in-house R&D unit by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India.

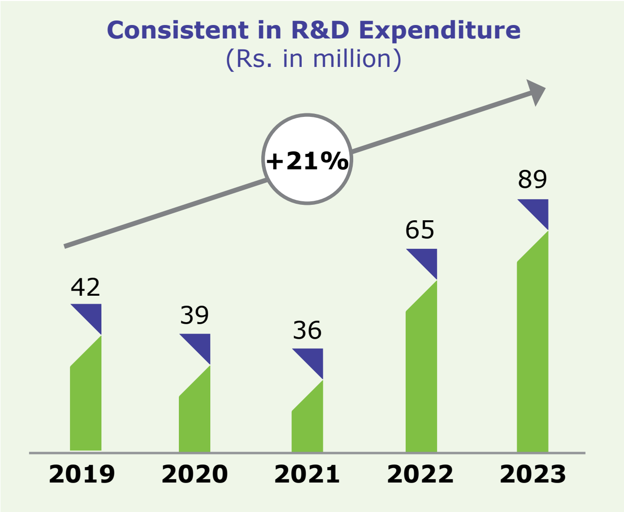
- We use our own R&D resources to develop, optimize and standardize our formulation and manufacturing process, and conduct the required stability testing as well as conduct clinical studies through qualified third- party contract research organizations to obtain the requisite regulatory licenses required to manufacture such complex generic products.

R&D Highlights

- The main focus is on affordable, first to launch generic products.
- Significant past experience helps us in development of Multi-Drug Products, backed - up by a strong medical affairs and regulatory affairs team,
- Consistent investment on R&D expenditure over the years has led to development of innovative products like:

  o Chocolate flavored chewable tablets
  o Dispersible tablets
  o Sustained release products
  o Novel Formulations of Existing Molecules

R&D Expenditure during last 5 years



Some key highlights during the year

During FY23, Windlas Biotech progressed with its operations with astute focus on growth and expansion having a commitment towards building sustainability in our operations and business growth for future.

During FY23, following have been the key highlights of our operations and strategic initiatives:

- **Revenue Growth:**

  The company witnessed its highest ever revenue numbers during FY 2022-23. Overall revenue grew by 10% to Rs. 5131 million, Generic Formulation CDMO Vertical grew by 5%, Trade Generics and Institutional Vertical grew by 49% and Exports Vertical declined by 5%.

- **Profitability Growth:**
  EBITDA of company grew by 14.9% from Rs. 524 million to Rs. 602 million, PBT grew by 25.2% from Rs. 456 million to Rs. 570 million and PAT grew by 11.9% from Rs. 381 million to Rs. 426 million as against FY 2021-22.

- **Generation of healthy Net operating cash flows:**
  During the year, the Company generated a Net operating cash flow of Rs. 610 million. This has been one of the key focus areas of the management, which shows that the Company has a strong and financially viable

business model. It also proves beyond doubt that we are a strongly entrenched Company with a near perfect business model and vision to grow, simultaneously creating value for our stakeholders.

- **Strong liquidity position:**
  The Company has a free cash balance of Rs. 1378 million as on March 31, 2023. It shows ability of the Company to have smooth business operations, counter any adversities and to invest and execute new any growth plans. To leverage the free liquidity, the company is also actively looking at prospective inorganic growth opportunities to obtain synergies, diversify its product line and achieve scale.

- **Dividend:**
  In line with our dividend policy and our philosophy of sharing returns with stakeholders, the company paid 20% consolidated net profits of FY 2021-22 i.e., Rs. 76 million (Rs. 3.5 per share) to shareholders.

- **Buy back of equity shares:**
  During the year, the Company successfully completed the buyback of 9,95,800 (Nine lacs ninety-five thousand eight hundred) equity shares during the period from November 21, 2022 to May 3, 2023. The promoters did not participate in Buyback program of the company. An amount of Rs. 250 million was utilised for completing the buy back. This buyback fulfilled the following objectives:

  - To return surplus funds to the equity shareholders of the Company.
  - To improve return on equity, by reducing in equity base, thereby leading to a long-term increase in the value of shareholders.

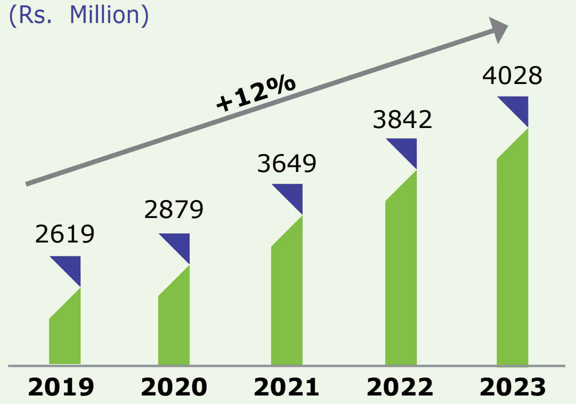
- **Full utilisation of IPO proceeds:**
  We are pleased to inform that the entire IPO proceeds of Rs. 1650 million has been utilized towards the stated objectives.

- **Injectables Facility:**
  The construction of the injectable plant is in full swing and we expect to achieve mechanical completion by end of Q2 of FY 2023-24. The Company has utilised the complete proceeds raised for injectables facility by March 2023.

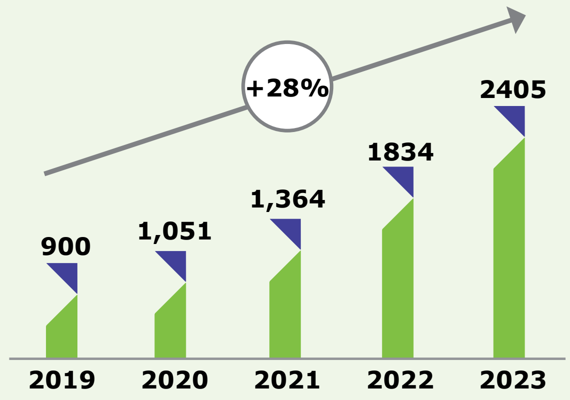
Vertical-Wise Performance FY 2022-23

The Generic Formulations CDMO Business Vertical – Growth, Features and Strategies

Generics Formulations CDMO Revenue grew with a CAGR of 12%
(Rs. Million)



No. of Generic Formulations CDMO Products Catered every year



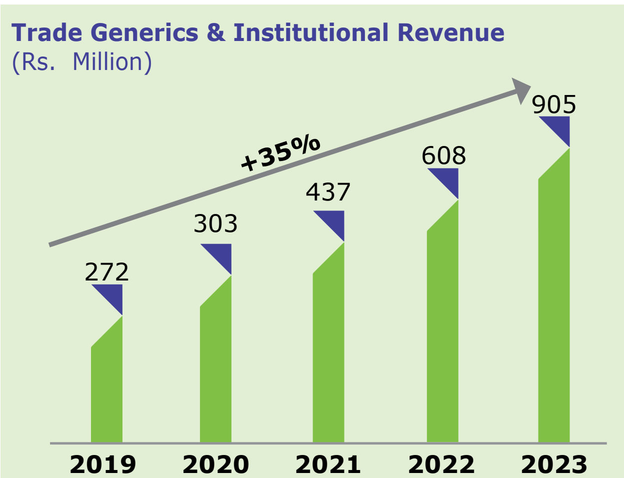
With increasing globalization and focus of large players on cutting costs and optimizing operations, CDMOs have seen significant acceptance in the industry worldwide over the past few years. With the growing demand for generic medicines and biologics, focus on reducing time to market (TTM), the capital-intensive nature of the business, and the complex manufacturing requirements, many pharmaceutical companies have identified the potential benefits of contract manufacturing and outsourcing manufacturing activities. Pharmaceutical companies are also gradually outsourcing research and development (R&D) activities to academic and private Contract Research Organizations (CROs) to reduce drug-development timelines and costs.

For FY 2022-23 the revenue for CDMO vertical was Rs. 4028 million up 5% YoY.

Within India, we have been one of the leading Domestic Generic Formulations CDMO Companies. We have positioned the Company as an integrated Contract Development and Manufacturing Organization, providing development, and manufacturing of pharmaceutical products like Fixed dosage, Fixed dosage plus modified release, Customized generics, chewable/ dispersible and plain oral solids etc.

Over the years, we have been focusing on our multipronged Generic Formulations CDMO strategic priorities. These include identifying products with rising demand and expanding markets for them, customer acquisition and growing revenue pie from the existing customers. The company has also focused on de-risking its client concentration. We firmly believe that the company will accelerate growth trajectory through these initiatives .

Trade Generics and Institutional Vertical – Growth, Features and Strategies:



The Company has been targeting remote, difficult but bigger markets by bypassing the large distributors and approaching direct markets through stockiest thereby saving channel cost, ensuring speed to market with quality. With this model, we are penetrating approx. 6.5 lakh villages where more than 60% of the population lives. They are unlike the 400 cities/ towns which have 1 Lakh plus population. The Company also serves various institutions i.e., Government institutions, Hospitals etc.

Company's Trade Generics and Institutional vertical grew by a whopping 49% in FY 2022-23. This vertical hold very high potential and great headroom for growth.

To keep our growth trajectory intact in this vertical, we continued to focus on our strategy of providing accessible, affordable and authentic medicine to the under-served geographical areas of India situated in B & C class cities and small towns.

Feature

- Distributed our products through approx. 700 Stockists & Distributors spread across 29 states.
- Our products are generally low costs and qualitative compared to other branded generics.
- Focussed customers are the people in rural areas who are less privileged to access the healthcare facilities in normal course.
- Trade generics uses are further encouraged by Government of India push for schemes like Jan Aushadhi Yojana

Exports Business Vertical – Growth, Features and Strategies

The company continues to work towards initiatives in the export vertical, such as the filing of more dossiers and focusing on entering emerging and semi regulated markets through our own brand and our Customers/Partners' brands.

During the year, we exported around 74 products in 10 countries, including Generic Medicines & Health Supplements to various countries.

For the export verticals, FY 2022-23 revenue for exports stood at Rs. 198 million.

Quality, Health, Safety and Environment

Windlas Biotech Limited has a well-defined electronic Quality Management System in place across all manufacturing facilities. Our Company ensures that all products manufactured are suitable for their intended use in terms of safety, identity, strength, quality and purity. We ensure that the end products are in conformity with the various regulatory directives and CGMP (Current Good Manufacturing Practices). Our Company is constantly working on innovative technologies to create efficient waste management, Wastes are collected in separate waste disposal area and disposed through authorized outer vendor within ninety days following norms of State Pollution Control Board. Our Company's primary focus has been around reducing emission and promoting cleaner environmental solutions. Eco-friendly boiler Briquette fire boiler is used at site, along with other common utilities to adjacent plant to minimize environmental load. We have significantly reduced water consumption through our innovative production processes and introduced rainwater harvesting system at site.

Fuming hood with filtration system is installed at site lab to control the volatile organic carbon. To reduce industrial emission at sites, air conditioning system and heat ventilation system were also installed. To optimize entire effluent stream, our Company has continuously innovated several techniques to reduce effluent generation in the process, Additionally, we introduced UF plant to treat effluent discharge water and recirculate into the system. Our Company is continuously innovating processes to reduce waste by maintaining higher yields. During the year, our Company conducted various training programs in all units regarding the use and value of personal protective equipment, safety awareness, and safety actions. To monitor the fire threat, all our units have fire hydrant systems, fire extinguishers, and smoke and heat detectors. Fire safety equipment's are maintained and monitored as per specified frequency.

Material Developments in Human Resources / Industrial Relations Front, Including Number Of People Employed.

Our employees contribute significantly to our business operations. As of March 31, 2023, we had 1049 permanent employees. In addition, we have entered into arrangements with third-party personnel companies for the supply of contract labour. The number of contract labourers varies from time-to-time based on the nature and extent of work contracted to independent contractors. We train our employees on a regular basis to increase the level of operational excellence, improve productivity and maintain compliance standards on quality and safety. We also conduct training workshops for our employees to develop a variety of skill sets and organize modules at regular intervals to promote teamwork and personal growth of employees. In addition, our Company has adopted the ESOP 2021 with the aim to attract, retain and motivate the key talents by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability. Our employees are not unionized into any labour or workers' unions and we have not experienced any major work stoppages due to labour disputes or cessation of work in the last three years.

Information Technology

An appropriate Information Technology (IT) infrastructure is important in order to support the growth of our business. Our IT systems are vital to our business and we have adopted an IT policy to assist us in our operations. The key functions of our IT team include establishing and maintaining enterprise information systems and infrastructure services to support our business requirements, maintaining secure enterprise operations through, among others, risk assessment, planning and mitigation policies, and identifying emerging technologies which may be beneficial to our operations. We have implemented an enterprise resource planning solution system to handle purchase of goods, services, inventory, supply chain management, invoicing, accounting, payments, collections, reconciliation, taxation, regulatory compliance, human resources management and other business functions. We have also implemented a sales personnel management system which has the capability to record data at the headquarter-level as well as in relation to each employee, including presenting analysis and historical trends. It is capable of importing ERP data and generating reports which assist in effective management. The integration of our information technology systems with our sales and distribution infrastructure enables us to standardize our processes, reduce cost, enhance productivity, improve workflow and communications and improve our risk control mechanisms.

The company has also implemented automation tools for quality management, paperless documentation and reducing the possibility of manual errors. Compliance is also tracked, Managed and controlled through an automated tool.

Risks and Concerns

Meeting pharmaceutical-industry challenges will mean recalibrating four strategic responses.

Responses, by strategic domain	From	To
Network and resilience	Solving for cost: reactive and firefighting	Solving for multiple variables: resillient, proactive,agile, and fast to market
Digital	Targeted, single use cases	Fully scaled and ready for ecosystem leadership
Operating model and ecosystem	Traditional hub contiguration centered on originators	End-to-end ecosystem of partners
Talent	HR-driven recruiting and training effort	Strategic workforce planning: reskilling and automation

The pharmaceutical industry has been affected by broader global trends, such as supply chain pressures. While the pharma industry is considered somewhat protected by its high inventory levels and long-standing dual sourcing, over a given ten-year period, the likelihood of supply chain disruptions still represents a potential loss of EBITDA. Windlas follows cost plus model and has a very less percentage of purchase as imports. The risk for the company hence is limited to delay in transferring the increase in cost to the customers.

Inflation has risen in recent months, leading to increasing costs for labor, raw materials, and transportation. Since pharma customers are not expected to fully absorb these cost increases, profit margins are under pressure.

A few major trends point to an industry tailwind; one of them is the advancement of digital and analytics tools. Digital tools, robots, and sensors are becoming cheaper and easier to access, and they can be used to capture all manner of raw data.

These global trends have six major implications for pharma companies:

- Rising operational complexity,
- Increasing risk,
- Shifting capability requirements,
- Higher capital expenditure requirements,
- Variable-cost increases, and
- Opportunities for savings

From a cost perspective, the pharma industry may see significantly increased capital expenditure requirements related to the construction of new sites and new digital infrastructure. Increases are also likely in variable costs in areas such as raw materials, transportation, and employee attrition, reskilling, and salaries.[8]

Risk Management at Windlas

Our risk identification and management activities are continuous and ongoing. Each functional area is responsible for assessing, articulating and controlling relevant risks.

8 Mckinsey report: Emerging from disruption: The future of pharma operations strategy

Industry Risk

Any negative impact on the industry can impact the prospects of our Company.

Windlas has presence across various geographies, we periodically evaluates various developments across the countries and identifies any risks and implements immediate action.

Operational Risk

Any manufacturing or quality control issues may damage our Company's reputation, adversely affecting business, results of operations, and financial conditions.

Windlas's facilities are all as per GMP standards. We also have a Quality team which does rigorous checks to ensure the quality and efficacy of the products as per customer standards. We also have in-house Quality Control and Quality Assurance team. We have electronic tools like QMS, LIMS, ERP and eLMS which were installed and used.

Competition Risk

Competition from domestic and international players.

Our Company is focused on building economies of scale, two decades into the business, WBL has strengthened our business' longterm relation with marquee customers. Our Company undertook R&D initiatives which focuses on reducing costs, improving efficiency and turnaround time.

Suppliers Risk

Profitability and margins are directly impacted by the volatility in prices. In case of a significant change in the raw material's prices and operational cost among others, profitability, too, will shift.

Our Company has developed alternative suppliers to safeguard the raw material supply chain.

Financial Risk

The revenues are spread across various currencies, any drastic fluctuations will.

Our Company has robust hedging strategy and framework in place to safeguard against fluctuations.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY.

The Company has a well-established internal controls framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of internal controls. At Windlas, we believe that internal controls are the prerequisite of good governance and the management is committed to ensuring an effective internal controls environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies, applicable laws, regulations, ensures accuracy of records, promotes operational efficiency, protects resources and assets and overall minimize the risks.

An automated compliance management tool is installed and used by the Company to manage the compliances applicable to the Company. The documents are uploaded for each compliance, verified by the management. Quarterly compliance certificates are presented to the Board, alongside an annual third-party audit conducted at the conclusion of the fiscal year.

The Audit Committee of the Board periodically reviews these systems, which record transactions, assets, and report on developments timely. Internal audit is carried out by an independent firm of

Chartered Accountants, Grant Thornton LLP. The Audit Committee also regularly reviews the periodic reports of the Internal Auditors. Issues raised by Internal Auditors and Statutory Auditors are discussed and addressed by the Audit Committee.

INTERNAL FINANCIAL CONTROLS

The Company has a well-established internal financial controls framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of internal financial controls. The management is committed to ensuring an effective internal financial controls environment, commensurate with the size and complexity of the business, which provides an assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Changes in Key Financial Ratios

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefore, including:

S. No.	Ratio	Value in FY22	Value in FY23	Increase/ Decrease	Percentage Change	Reasons for Significant* Change
1	Debtors Turnover Ratio	4.90	4.51	(0.39)	-8%	
2	Inventory Turnover	6.05	4.88	(1.17)	-19%	Decreased, due to purchase of more inventory at the year ended 31st March 2023 to meet upcoming demand
3	Interest Coverage Ratio	0.03	0.01	(0.02)	-47%	Significant re-payment of Debt amount in the FY 2021-22 which improvise Ratio for FY 2022-23
4	Current Ratio	4.07	2.92	(1.15)	-28%	Decrease due to increase in Trade Payable Balance as there are more purchase in the last Quarter of FY 2022-23
5	Debt Equity Ratio	0.02	0.00	(0.02)	-93%	Improvise due to Payment of Outstanding Debt in the FY 2022-23.
6	Operating Profit Margin (%)	11.3	11.7	0.4	4%	
7	Net Profit Margin (%) *or sector-specific equivalent ratios, as applicable*	8.3	8.3	0.00	0%	
8	Return on Net Worth *As compared to the immediately previous financial year along with a detailed explanation thereof*	12.98	10.69	(2.29)	-18%	Reduced due to increase in Average Equity share capital, even though Profit after Tax for the FY 2022-23 is higher as compared to FY 2021-22.

*Significant Change: In excess of 25% (Increase/ Decrease)

CAUTIONARY STATEMENT

The Management Discussion and Analysis contains 'forward-looking statements', identified by words like 'plans', 'expects', 'will', 'anticipates', ' believes', 'intends', 'projects', 'estimates' and on within the meaning of applicable securities laws and regulations concerning WBL's future business prospects and business profitability. All statements that address expectations or projections about the future, the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. All these prospects are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, ability to manage growth, competition (both domestic and international), economic growth in India and the target countries worldwide, ability to attract and retain highly skilled professionals, time and cost overruns on contracts, ability to manage international operations, Government policies and actions with respect to investments, fiscal deficits, regulations, interest and other fiscal costs generally prevailing in the economy, etc. Past performance may not be indicative of future performance. The Company does not undertake to make any announcement in case any of these forward-looking statements become materially incorrect in future nor shall the Company update any forward-looking statements made from time to time by or on its behalf.

windlas

Statutory Reports

DIRECTORS' REPORT

To,
The Members,

Your directors have pleasure in presenting the 22nd Annual Report on the business and operations of the Company, together with the audited accounts for the financial year ended March 31, 2023.

FINANCIAL RESULTS

The Audited Financial Statements of your Company as on March 31, 2023, are prepared in accordance with the relevant applicable Indian Accounting Standards ("Ind AS") and Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the provisions of the Companies Act, 2013 ("Act"):

Financial performance of the Company is summarised in the table below:

(₹ in millions)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from Operations including other Income	5,230.48	4,726.36	5,230.48	4,726.36
Less Expenses:				
Cost of goods sold	3,254.48	3,028.15	3,254.48	3,028.15
Employee benefits Expenses	703.21	634.08	703.21	634.08
Finance cost	7.86	14.17	7.88	14.17
Depreciation and Amortisation expenses	123.64	121.47	123.64	121.47
Other Expenses	570.73	468.11	570.89	472.83
Total Expenses	4,659.91	4,265.99	4,660.09	4,270.71
Profit before exceptional items and tax	570.57	460.37	570.39	455.65
Profit before tax	570.57	460.37	570.39	455.65
Tax expense	144.13	74.76	144.13	74.76
Net Profit for the year	426.44	385.61	426.26	380.89
Net profit attributable to -				
Owners of the Holding Company	426.44	385.61	426.26	380.89

The standalone revenue from operations increased from ₹ 4659.30 million to ₹ 5130.83 million, an increase of 10% over the previous financial year notwithstanding challenging business environment. The standalone Profit After Tax increased from ₹ 385.61 million to ₹ 426.44 million, an increase of 11% over the previous financial year. The standalone EPS of your company increased from ₹ 18.81 to ₹ 19.71 in the current year.

The consolidated EBITDA of your company grew at a faster pace in the current year registering a growth of 15% over the previous year.

TRANSFER TO RESERVES

The Company has not transferred any amount to any reserve for the financial year ended March 31, 2023.

DIVIDEND

Based on the Company's performance and keeping in mind the shareholders' interest, the Directors recommend a dividend of @ ₹ 4 per share (80%) on the fully paid Equity Shares of ₹ 5/- each of the Company, for the year 2022-23. The dividend on equity shares is subject to the Shareholders' approval at the ensuing Annual General Meeting ('AGM'). The

Register of Members and Share Transfer Books of the Company will remain closed from September 6, 2023 till September 12, 2023 (both days inclusive) for the purpose of payment of the dividend for the year ended March 31, 2023.

DIVIDEND DISTRIBUTION POLICY

The Company had adopted a Dividend Distribution Policy that sets out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and/ or retaining profits earned by the Company. The policy is available on the website of the Company at the weblink:-

https://windlas.com/policies/dividend-distribution-policy/

BUYBACK OF SHARES

The Board of Directors of your company in their meeting held on November 08, 2022, had approved Buyback of Equity shares of Face Value ₹ 5 each of the Company for an amount not exceeding ₹ 250,000,000/- at a price not exceeding ₹ 325/- (Rupees Three Hundred and Twenty Five Only) per equity share ("Maximum Buy-back Price") payable in cash from the equity shareholders/ beneficial owners of the equity shares of the Company other than the Promoters, members of Promoter Group and persons in control of the Company ("Buyback Offer") from Open Market through Stock Exchange Mechanism in terms of the provisions of Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 ("Buyback Regulations").

The Company has bought back 867,747 number of Equity share having Face Value of ₹ 5 each for an amount ₹ 217,966,267 from the open market till March 31, 2023.

The Company completed the Buyback on May 03, 2023 by purchase of 995,800 equity shares aggregating to ₹ 250,039,654.15/- excluding transaction costs ("Total Buyback Amount") from the equity shareholders of the Company (other than the promoters, promoter group and persons in control of the Company). The Total Buyback Amount has been ratified by the Buyback Committee and the Board of Directors of the Company. The Total Buyback Amount represents 6.3855% of the Paid up Share Capital and Free Reserves of the Company as on March 31, 2022, which is within the permissible limit of 10% of the total paid-up equity capital and free reserves of the Company.

EMPLOYEES STOCK OPTIONS SCHEME

The Board of Directors of the Company at its meeting held on April 16, 2021, approved introduction of the 'Windlas Biotech Limited Employees Stock Option Scheme 2021' ("ESOP 2021"/ "Scheme") for the benefit of the present and future employees of the Company. Each Option when exercised would be converted into one equity share of ₹ 5/- each fully paid-up.

The options granted shall vest not later than 5 (five) years from the date of grant of such options. Number of Options that may be granted to an employee under the "ESOP 2021" shall not exceed one-fifth of the total number of Options reserved under the "ESOP 2021" in aggregate per employee or any such ceiling number of options as may be determined by the Committee within such limit with respect to an individual employee.

The Company has obtained in-principle approval for listing upto a maximum of 331,696 equity shares of ₹ 5/- each of Windlas Biotech Limited to be allotted pursuant to options granted prior to listing of the Company under ESOP 2021 during the year from BSE and NSE.

ESOP Expenses for the year ended March 31, 2023 is ₹ 10.08 million (Refer Note No. 30 of the Standalone Financial Statement). The options vested under "ESOP 2021" can be exercised within the period of 4 (Four) years from the date of vesting. There are no potential equity shares in FY2022-23 due to grant of stock options under "ESOP 2021". Therefore, there is no effect on Diluted Earnings per share (EPS) (Refer Note No. 36 of the Standalone Financial Statement).

Disclosure under SEBI (Share Based Employees Benefits and Sweat Equity) Regulations, 2021 regarding details of the "ESOP 2021" is given below.

Date of Shareholders Approval of the Scheme	April 17, 2021 (prior to the IPO)
Total number of options approved under the Scheme	546,222
Number of options Granted	419,439 (Options granted on May 3, 2021, prior to the IPO to the Eligible Employees)
Vesting of Options	Options granted under Plan shall vest not earlier than 1 (One) year and not later than maximum Vesting Period of 5 (five) years from the date of Grant.

Exercise Price/ Pricing Formula	₹ 275.35 (The fair value of option has been determined using Black-Scholes option pricing model)	
Maximum period within which the grant shall be vested	5 (Five) years from the date of Grant	
Number of Options lapsed during the Year	59,353	
Number of Options outstanding as on March 31, 2023	315,238	
Employee-wise detail of options granted to:		
i. Key managerial personnel (KMP)	KMP	Options granted
	Komal Gupta	41,183
	Mohammed Aslam	19,862
	Om Prakash Sule	17,602
	Pawan Kumar Sharma	17,020
	Ananta Narayan Panda	1,365
ii. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil	
iii. Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil	

FINANCIAL STATEMENTS

In accordance with the Ministry of Corporate Affairs ("MCA") circular dated January 13, 2021 read with circulars dated April 08, 2020, April 13, 2020, May 5, 2020 and December 28, 2022, the Annual Report 2022-23 containing complete Balance Sheet, Statement of Profit & Loss, other statements and notes thereto, including consolidated financial statements, prepared as per Ind AS, Directors' Report (including Management Discussion & Analysis and Corporate Governance Report) is being sent via email to all shareholders who have provided their email address(es).

The Annual Report 2022-23 is also available at the Company's website at: https://windlas.com/financial-information/financial-results/fy-22-23/.

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the applicable provisions of Act including the Accounting Standard Ind AS 110 on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the financial year 2022-23. Consolidated Turnover was ₹ 5,230.48 million as against ₹ 4,726.36 million in the previous year. Net Profit after Tax (after minority interest) for the year stood at ₹ 426.26 million as against ₹ 380.89 million in the previous year.

Pursuant to the provisions of the Companies Act, 2013 and Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements Regulation, 2015 ("Listing Regulations") and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the 2022-23, together with the Auditors' Report, form part of this Annual Report.

OPERATIONS AND BUSINESS PERFORMANCE

Kindly refer to Management Discussion & Analysis and Corporate Governance Report which forms part of this report.

CHANGE IN NATURE OF BUSINESS

During the year under review there is no change in nature of business of the Company.

CREDIT RATING

ICRA Limited, i.e. the Credit Rating Agency has upgraded the long-term rating of the Company to [ICRA] A+ (pronounced ICRA A plus) ("Rating") from [ICRA] A (pronounced ICRA A) ("Rating") and reaffirmed the short-term rating at [ICRA] A1 for facilities of the Company as per their letter dated November 28, 2022.

DIRECTORS

Pursuant to Section 149, 152 and other applicable provisions of the Companies Act,2013, one third of such of the Directors as are liable to retire by rotation, shall retire every year and, if eligible, offer themselves for re-appointment at every AGM. Accordingly, Mr. Hitesh Windlass (DIN: 02030941) and Mrs. Prachi Jain Windlass (DIN: 06661073), Directors of the company will retire by rotation at the ensuing AGM, and being eligible, offered themselves for re-appointment in accordance with provisions of the Act. The Board of Directors on the recommendation of the Nomination and Remuneration Committee ("NRC") has recommended their re-appointment.

A brief resume of the Directors being appointed/ re-appointed, the nature of expertise in specific functional areas, names of companies in which they hold directorships, committee memberships/ with chairmanships, their shareholding in the Company, etc., have been furnished in the explanatory statement to the notice of the ensuing AGM.

The Nomination and Remuneration Committee and the Board of Directors of the Company recommend their appointment/ re-appointment at the ensuing AGM.

Your Company has received declarations from all the Independent Directors confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and there has been no change in the circumstances which may affect their status as an Independent Director.

In terms of section 2(77) of the Act including Rules made thereunder, Mr. Ashok Kumar Windlass, Whole Time Director, Mr. Hitesh Windlass, Managing Director, Mr. Manoj Kumar Windlass, Joint Managing Director and Mrs. Prachi Jain Windlass, Non-Executive Non-Independent Director are related to each other.

KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Act are as follows:

Mr. Ashok Kumar Windlass, Whole time Director

Mr. Hitesh Windlass, Managing Director

Mr. Manoj Kumar Windlass, Joint Managing Director

Mr. Pawan Kumar Sharma, Executive Director

Mr. Ananta Narayan Panda, Company Secretary and Compliance Officer

Mrs. Komal Gupta, Chief Financial Officer w.e.f. May 12, 2022 and Chief Executive Officer w.e.f. February 08, 2023

Policy on directors' appointment and Policy on remuneration

Pursuant to Section 134(3)(e) and Section 178(3) of the Companies Act. 2013, the policy on appointment of Board members including criteria for determining qualifications, positive attributes, independence of a director and the policy on remuneration of directors, KMP and other employees is disclosed in the Corporate Governance Report which is part of the Annual Report. The same are also available on the website of the Company at:-

https://windlas.com/policies/nomination-and-remuneration-policy/

Performance Evaluation of the Board, its Committees and Individual Directors

In accordance with the applicable provisions of the Act and the Listing Regulations, the Board, in consultation with its Nomination and Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual directors, including Independent Directors. The framework is monitored, reviewed and updated by the Board, in consultation with the Nomination and Remuneration Committee, based on need and new compliance requirements.

The annual performance evaluation of the Board, its Committees and each Director has been carried out for the Financial year 2022-23 in accordance with the framework. The details of evaluation process of the Board, its Committees and individual directors, including independent directors have been provided under the Corporate Governance Report which forms part of this Report.

Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

a) in the preparation of the Annual Accounts for the financial year ended March 31, 2023, the applicable accounting standards have been followed. There are no material departures from the applicable accounting standards;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2023 and of the profit of the Company for that period;

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

d) the Directors had prepared Annual Accounts on a going concern basis;

e) 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;

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

HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS

Your Company lays extreme emphasis on human resources and caring for them at all levels. Your Company enjoyed harmonious relationships with workers and staff during the year under review and consider them their most important assets. Your Company is concerned for its people, customers, suppliers, and community at large which reflects in the Company's policy, programs and development efforts. As on March 31, 2023, your company had 1049 permanent employees. Your Company is committed to build and strengthen the human capital by defining policies that support their growth, goals, and help them achieve excellence. Various trainings, seminars and workshops were conducted during the year to train employees and enhance their overall performance.

PARTICULARS OF EMPLOYEES / MANAGERIAL REMUNERATION

The information required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

a) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Directors	Ratio to Median Remuneration
Mr. Vivek Dhariwal*	1.36
Mr. Ashok Kumar Windlass	69.56
Mr. Hitesh Windlass	69.55
Mr. Manoj Kumar Windlass	65.55
Mr. Pawan Kumar Sharma	20.56
Ms. Prachi Jain Windlass	Nil
Mr. Srinivasan Venkataraman*	1.83
Mr. Gaurav Gulati*	2.45

*The Independent Directors have only been paid sitting fee during the year.

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:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. Vivek Dhariwal*	(27.38)
Mr. Ashok Kumar Windlass	Nil
Mr. Hitesh Windlass**	69.07
Mr. Manoj Kumar Windlass**	71.16
Mr. Pawan Kumar Sharma	13.39
Ms. Prachi Jain Windlass	Nil
Mr. Srinivasan Venkataraman*	(21.90)
Mr. Gaurav Gulati*	(7.56)
Ms. Komal Gupta (Chief Executive Officer & Chief Financial Officer)	10.46
Mr. Ananta Narayan Panda (Company Secretary)	17.29

* Mr. Vivek Dhariwal, Mr. Srinivasan Venkataraman and Mr. Gaurav Gulati are Independent Directors and they have been paid only sitting fee during the year.

**Remuneration includes commission paid/payable to Mr. Hitesh Windlass (Managing Director) and Mr. Manoj Kumar Windlass (Joint Managing Director) during the year. The Managing Director and Joint Managing Director had waived off their entitlement to receive commission during the financial year 2021-22 and no commission was paid to them in the previous year.

c) Percentage increase in the median remuneration of employees in the financial year: 6.04%

d) Number of permanent employees on the rolls of Company: 1049

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 circumstance for increase in managerial remuneration:

Average percentile increase in salary of employees other than managerial personnel was 3.52% Average percentile increase in managerial remuneration was 29.30% in 2022-23 over 2021-22.

f) Affirmation that the remuneration is as per the Remuneration policy of the Company:

The Company affirms that the remuneration paid is as per the Remuneration policy of the Company.

g) A statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate Annexure forming part of this Report. Further, the Report and the Accounts are being sent to the Members excluding the aforesaid Annexure. In terms of Section 136 of the Act, the said Annexure is open for inspection at the Registered Office of the Company. Any Shareholder interested in obtaining a copy of the same may write to the Company Secretary.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments 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 this Boards' Report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board of your Company has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively. Your Company has maintained a proper and adequate system of internal controls.

The Company has appointed M/s. Grant Thornton, Chartered Accountants, as an Independent Internal Auditors who periodically audits the adequacy and effectiveness of the internal controls laid down by the management and suggests improvements. This ensures that all Assets are safeguarded and protected against loss from unauthorised use or disposition and that the transactions are authorised, recorded and reported diligently. Your Company's internal control systems are commensurate with the nature and size of its business operations. Internal Financial Controls are evaluated, and Internal Auditors' Reports are regularly reviewed by the Audit Committee of the Board.

Statutory Auditors Report on Internal Financial Controls as required under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 is annexed with the Independent Auditors' Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report with detailed review of operations, performance and future outlook, as stipulated under Regulation 34 read with Schedule V to the Listing Regulations is presented in a separate section forming part of this Annual Report.

RELATED PARTY TRANSACTIONS

The Company has a policy on Materiality of Related Party Transactions and has been uploaded on the website of the company which can be found on https://windlas.com/policy-on-materiality-of-related-party/

All related party transactions that were entered into during the 2022-23 were on an arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large.

All related party transactions are presented to the Audit Committee. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on quarterly basis, mentioning the nature, value and terms and conditions of transactions.

The details of Related party transactions are provided in the accompanying financial statements.

As all related party transactions entered into by the Company were in ordinary course of business and were on an arm's length's basis, Form AOC–2 is not applicable to Company.

CORPORATE GOVERNANCE

The Company is committed to ensuring good governance practices while protecting the interest of the shareholders by using extreme care, skill and diligence in the business.

The report on Corporate Governance as stipulated under the Listing Regulations forms part of the Annual Report. A certificate from M/s Sandeep Joshi & Associates, Company Secretary regarding compliance of the conditions of Corporate Governance, as stipulated under Schedule V of the Listing Regulations is attached as Annexure and forms part of the Annual Report.

ANNUAL RETURN

In accordance with Section 92 (3) read with Section 134 (3)(a) of the Act, the Annual Return of the Company as on March 31, 2023 is available in the prescribed format on the Company's website at the link: https://windlas.com/financial-information/fy-22-23/

DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 and no amount on account of principal or interest on public deposits was outstanding as on March 31, 2023.

The Company does not have any deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

In accordance with the provisions of Section 186 of the Act, the details of Loans, Guarantees and Investments made by the Company as at March 31, 2023 are given in the notes to the Financial Statements.

CORPORATE SOCIAL RESPONSIBILITY

Your Company considers the community as its key stakeholder and endeavours to create economically viable and socially inclusive community. The CSR programmes of the Company are aimed at inclusive development and welfare of the community by carrying out activities primarily related to promoting health care including preventive health care, promoting education and skill development, and animal welfare and environmental sustainability.

Disclosure as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 in prescribed form is enclosed as Annexure I to the Directors' Report.

During the financial year 2022-23, the Company has spent ₹ 8.39 million (2% spend requirement was ₹ 8.04 million) towards various CSR activities, in line with the requirements of Section 135 of the Companies Act, 2013 ('Act'). Details of composition of CSR Committee and Meetings held during 2022-23 are disclosed in the Corporate Governance Report.

SUBSIDIARY/ JOINT VENTURE

As on March 31, 2023, the Company has one subsidiary namely Windlas Inc.

The Company has attached along with its financial statements, a separate statement containing the salient features of the financial statements of the said subsidiaries in "Form AOC-1".

During the year, under review, the Board of Directors reviewed the affairs of the subsidiaries. Also in conformity with Section 134 of the Companies Act, 2013 and Rule 8(1) of the Company (Accounts) Rules, 2014, Note 47 of Consolidated Financial Statement cover the highlights of performance of subsidiaries and their contribution to the overall performance of the Company during the year.

US Pharma Windlas LLC is one of the joint venture entity in which Windlas Inc. (Wholly Owned Subsidiary company of Windlas Biotech Limited) has 50% ownership. A policy on material subsidiaries has been formulated and is available on the website of the Company at :-

https://windlas.com/policy-on-material-subsidiary/

FAMILIARISATION PROGRAMME

The Company has a familiarisation programme for its Independent Directors which is imparted at the time of appointment of an Independent Director on Board as well as on need basis. During the year, the Independent Directors of the Company were familiarised and the details of familiarisation programmes imparted to them are placed on the website of the Company at:-

https://windlas.com/policies/familarization-program-for-independent-directors/

SIGNIFICANT AND MATERIAL ORDERS PASSED BY COURTS, REGULATORS OR TRIBUNALS

There were no significant material orders passed by Courts/ Regulators/ Tribunals which would impact the going concern status of the Company and its future operations.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company persistently promotes ethical behaviour in all its business activities and in line with the best international governance practices. The Company has established a system through which directors, employees and business associates may report unethical behaviour, malpractices, wrongful conduct, fraud, violation of Company's code of conduct without fear of reprisal. Reporting of instances of leak/ suspected leak of any Unpublished Price Sensitive Information is allowed through this vigil mechanism and the Company has made its employees aware of the same.

The policy has also been posted on the Company's website at:-

https://windlas.com/vigil-mechanism-policy/

The Audit Committee periodically reviews the existence and functioning of the mechanism. It reviews the status of complaints received under this policy on a quarterly basis.

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

Pursuant to provisions of Section 134 of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 the details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are attached as Annexure II to this report.

STATUTORY AUDITORS

In accordance with the provisions of Section 139 of the Companies Act, 2013, the members at the 19th Annual General Meeting held on August 28, 2020 had approved the appointment of M/s. SS Kothari Mehta & Company, Chartered Accountants (Firm Registration No: 000756N) for a term of 5 years, to hold office till the conclusion of 24th Annual General Meeting, As per the provisions of Section 139 of the Act, they have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Auditors of the Company have not reported any instances of fraud committed against the Company by its officers or employees as specified under Section 143(12) of the Companies Act, 2013.

COST AUDITORS

In terms of the Section 148 of the Companies Act, 2013 read with the Companies (Cost Record and Audit) Rules, 2014 the Company is required to maintain cost accounting records and have them audited every year.

The Board has re-appointed M/s. Saurabh Jain and Associates as Cost Auditor of the Company for 2023-24 under Section 148 and all other applicable provisions of the Act.

Shareholder's approval is being sought for ratification of the remuneration proposed to be paid to M/s. Saurabh Jain and Associates, Cost Auditor of the Company in respect of Cost Audit for the financial year ending March 31, 2024 as mentioned in the Notice convening the AGM.

The Company has maintained cost records as specified under section 148(1) of the Act.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company had appointed Mr. Sandeep Joshi, Company Secretary (COP No. 19210), Proprietor of M/s Sandeep Joshi & Associates, Company Secretary in Practice to undertake the Secretarial Audit of the Company.

Pursuant to provisions of Section 204(1) of the Companies Act, 2013 and Regulation 24A of the Listing Regulations, the Secretarial Audit Report for the financial year ended March 31, 2023 issued by CS Mr. Sandeep Joshi (COP No. 19210), Proprietor of M/s. Sandeep Joshi & Associates, Company Secretary in Practice and the Secretarial Auditor of the Company is annexed as Annexure III and forms an integral part of this Report.

During the year under review, the Secretarial Auditor have not reported any fraud under Section 143(12) of the Companies Act, 2013 M/s Sandeep Joshi & Associates have been reappointed as the Secretarial Auditor for the financial year 2023-24.

Explanation or Comments on disqualifications, reservations, adverse remarks or disclaimers in the auditor's reports:

There is no qualification, reservation or adverse remark or disclaimer made by the Auditor in their report. As regards the observations of the Statutory Auditors and the Secretarial Auditor in their Report, the same are self- explanatory and need no clarifications.

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

Your Company is fully committed to uphold and maintain the dignity of every woman working with the Company. The Company has zero tolerance towards any action on the part of any one which may fall under the ambit of 'Sexual Harassment' at workplace. The Policy framed by the Company in this regard provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints.

Internal Complaints Committees (ICC) have been set up to redress complaints received regarding sexual harassment. Details of Internal Complaints Committee

Status of the Complaints during the 2022-23 is as follows:

Particulars	No. of Complaints
Number of Complaints pending as on Beginning of the Financial Year	0
Number of Complaints filed during the Financial Year	0
Number of Complaints pending as on the end of the Financial Year	0

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

The Company has complied with the provisions of Secretarial Standards on Meetings of the Board of Directors (SS-1) and on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

DISCLOSURE ABOUT UTILISATION OF INITIAL PUBLIC OFFER (IPO) PROCEEDS

Your Company in the previous financial year made an initial public offer of 8,729,023 equity shares of face value of ₹ 5 each ("equity shares") for cash at a price of ₹ 460 per equity share (including a share premium of ₹ 455 per equity share) aggregating to ₹ 4,015.35 million (the "offer") comprising of a fresh issue of 3,586,956 equity shares aggregating to ₹ 1,650.00 million (the "fresh issue") and an offer for sale of 5,142,067 equity shares, comprising of 1,136,000 equity shares aggregating to ₹ 522.56 million by Vimla Windlass (the "Individual Selling Shareholder") and 4,006,067 equity shares aggregating to ₹ 1,842.79 million by Tano India Private Equity Fund II (the "Investor Selling Shareholder") aggregating to ₹ 2,365.35 million (the "offer for sale).

Your Company discloses to the Audit Committee the uses/application of proceeds/funds raised from the initial public offer (IPO) as part of the quarterly review of financial results. Your Company has appointed HDFC Bank Limited as the Monitoring Agency in terms of Regulation 41 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations 2018 ("ICDR Regulations"), as amended from time to time, to monitor the utilization of IPO proceeds. The Company has obtained monitoring reports from the Monitoring Agency on a quarterly basis confirming no deviation or variation in the utilization of IPO proceeds from the objects stated in the Prospectus/ Offer Document. The Company has submitted the statement(s) and Monitoring Agency Report as required under Regulation 32 of the SEBI Listing Regulations to both the exchanges where the equity shares of the Company are listed, namely the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

The IPO Proceeds have been fully utilised as on March 31, 2023 as per the Objects stated in the Offer Document. Please refer Note No. 45 of the Standalone Financial Statement for the details of utilisation of IPO Proceeds.

GREEN INITIATIVE

As a part of its "Green Initiative", the Company has been taking all the measures to reduce its impact on the environment. The Company has implemented the "Green Initiative" to enable electronic delivery of notice/ documents/ annual reports to shareholders Electronic copies of the Annual Report 2022- 23 and Notice of the 22nd Annual General Meeting will be sent to all members through email, whose e-mail addresses are registered with the Company/Depository Participant(s).

ACKNOWLEDGEMENT

The Directors acknowledge with gratitude and wishes to place on record its appreciation for the

dedication and commitment of the Company's employees at all levels which has continued to be our major strength. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain as industry leaders. We place on record our appreciation for the support and co-operation the Company has been receiving from its suppliers, distributors, dealers, business partners, franchisee units and others associated with the Company as its trading partners. The Company looks upon them as partners in its progress and has shared with them the rewards of growth.

For and on behalf of the Board

Hitesh Windlass
Managing Director
DIN: 02030941

Place: Gurgaon
Date: May 5, 2023

Manoj Kumar Windlass
Jt. Managing Director
DIN: 00221671

Place: Dehradun
Date: May 5, 2023

ANNEXURE I

CSR REPORT

1. **Brief outline on CSR Policy of the Company**

   The Corporate Social Responsibility ('CSR') Policy of Windlas Biotech Limited has been developed in accordance with Section 135 (3) (b) of the Companies Act 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 notified by the Ministry of Corporate Affairs, Government of India. The CSR Policy formulated lays down guidelines and mechanisms to be adopted by the Company in order to carry out CSR Projects / Programs.

   All CSR Projects / Programs undertaken for the Financial Year April 01, 2022, to March 31, 2023, are conceived and implemented through a focused approach towards target beneficiaries for generating maximum impact and carried out in partnership with credible implementing agencies. In the Financial Year, the Company will support Projects / Programs which fall under the Sectors of Healthcare, Education and poverty.

2. **Composition of CSR Committee:**

SI. 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	Ms. Prachi Jain Windlass	Non- Executive Director	2	2
2	Mr. Manoj Kumar Windlass	Joint Managing Director	2	2
3	Mr. Ashok Kumar Windlass	Whole Time Director	2	1
4	Mr. Vivek Dhariwal	Independent Director	2	2

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://windlas.com/policies/csr-policy/

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).**

   Not Applicable

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

   Not Applicable

6. **Average net profit of the company as per section 135(5):INR 401.89 million**

7.

(a)	Two percent of average net profit of the company as per section 135(5):	INR 8.04 million
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	NIL
(c)	Amount required to be set off for the financial year, if any	NIL
(d)	Total CSR obligation for the financial year (7a+7b-7c)	INR 8.04 million

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	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.
8.39 million	NIL	NA	NA	NIL	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
NIL	NIL	NIL	NIL	NIL		NIL	NIL	NIL	NIL	NIL	NIL	NIL

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Amount Spent for the project (in ₹ million).	Mode of Implementation- Direct (Yes/ No).	Mode of Implementation ThroughImplementing Agency	
				State	District			Name	CSR registration number
1.	**Promoting health care including preventive health care**	(i)	Yes	Uttarakhand	Dehradun	4.16	No	Swami Vivekanand Health Mission Society Rashtriya Sewa Bharti Seva Bharati, Purbanchal	CSR00013441 CSR00001081 CSR00004021
2	**Promoting Education and Skill Development**	(i)	Yes	Uttarakhand	Dehradun	1.88	No	Uttarakhand Association for postive people living with HIV/AIDS IntellectualPeople Achievement Federation Saraswati Vidya Mandir, Manduwala, Dehradun (Under Shishu Shiksha Samiti)	CSR00031138 CSR00031840 CSR00017563
3.	**Animal Welfare and Environmental sustainability**	(i)	Yes	Uttarakhand	Dehradun	2.35	No	DOON ANIMAL WELFARE University of Chicago Trust Sankalptaru Foundation	CSR00019670 CSR00006435 CSR00000590
	Total					**8.39**			

(d) Amount spent in Administrative Overheads NIL

(e) Amount spent on Impact Assessment, if applicable Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) 8.39 million

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹ millions)
(i)	Two percent of average net profit of the company as per section 135(5)	8.04
(ii)	Total amount spent for the Financial Year	8.39
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.35
(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

9. (a) 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 ₹)	Amount spent in the reporting Financial Year (in ₹).	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 ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1.	NIL	NIL	NIL	NIL	Nil	NIL	NIL

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year. (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing.
1	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(a) Date of creation or acquisition of the capital asset(s). NIL

(b) Amount of CSR spent for creation or acquisition of capital asset. NIL

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NIL

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). NIL

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Not applicable

Place: Gurgaon
Date: May 5, 2023

Hitesh Windlass
(Managing Director)

Prachi Jain Windlass
(Chairperson CSR Committee)

ANNEXURE II

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

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken and their impact.	Centralized HVAC control and energy saving. Replacing the CFLs with LEDs through which we save more than half of the previous consumption. Using Briquette in boiler through which we saved cost and by using the Briquette we also saved Electricity units. Steam condensate recovery system Installed VFD in air compressor motors. Isolation of high energy compressor (AC) with centralized system.
b) Additional Investment and proposals if any, being implemented for reduction of consumption of energy.	Regular Maintenance Program to avoid wear and tear and reduce high energy consumption. Reduced peak hours' load and reduced the energy consumption by shifting the load
c) Impact of the measures as (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.	The above measures have helped the Company in effective and economic consumption of electricity, fuel and reduced the energy expenses.
d) Other Measures	Electrical Blower fix in Elmach Machine for forming die cooling instead of air nozzle which save 105 CFM.

	March 31, 2023	March 31, 2022
1. ELECTRICITY		
(a) Purchased Units	1,37,71,338	1,27,04,694
Total Amount (₹)	9,82,57,316	8,67,20,261
Average Rate/Unit (₹)	7.13	6.85
(b) Own Generation through DG set Units	1,88,493	2,78,640
Unit Generated per lit of Diesel oil	3.6	3.6
Cost of fuel /Unit (₹)	25.41	21.43
2. Briquette		
Quantity (Kg)	24,13,526	19,98,175
Total Amount (in ₹)	**2,31,93,943**	**1,44,76,783**
Average Rate/kg.	10	7.24

B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

The Company is engaged in the process research for new products and continuous improvement of existing products. However, the Company is primarily engaged in in the business of contract manufacturing.

RESEARCH & DEVELOPMENT (R&D)

In the past year, the Company has obtained a No Objection Certificate from the Drugs Controller General of India (DCGI) for 20 in-house developed products. These products primarily focus on the treatment of hypercholesterolemia, type II diabetes, and neuropathic pain. Notably, the Company successfully launched the first-ever fixed dose combination of Rosuvastatin, Ezetimibe, Vildagliptin, and Pioglitazone in India.

EXPENDITURE ON RESEARCH & DEVELOPMENT:

The Company has incurred Research & Development expenditure of ₹ 89.48 million during 2022-23.

C. FOREIGN EXCHANGE EARNING & OUTGO

(₹ in millions)

	March 31, 2023	March 31, 2022
Total Foreign exchange earning	217.84	232.14
Total Foreign exchange outgo	67.95	61. 43

On behalf of the Board of Directors

Place: Dehradun	**Hitesh Windlass**	**Manoj Kumar Windlass**
Date: May 5, 2023	Managing Director	Jt. Managing Director

ANNEXURE III

SECRETARIAL COMPLIANCE REPORT OF
WINDLAS BIOTECH LIMITED
FOR THE YEAR ENDED 31ST MARCH 2023

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

To
The Members,
Windlas Biotech Limited
40/1, Mohabewala Industrial Area,
Dehradun, Uttarakhand, 248110

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate governance practice by **Windlas Biotech Limited ("the Company")**. The 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 31st March 2023, 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:

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 31st March 2023, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under;.

ii. the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

iii. The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings; (Complied to the extent applicable).

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

a. the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations");

b. the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

c. the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

d. the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;

e. the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014/ the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

f. the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008/ the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

g. the Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013/ the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations,2021;

h. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; the Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009.

We have not examined compliance by the company with respect to:

a) Applicable financial laws, like direct and indirect tax laws, maintenance of financial records, etc., since the same have been subject to review by statutory (financial) auditors, tax auditors and other designated professionals.

b) As informed by the company the Industry specific laws/general laws as applicable to the company has been complied with. The management has also represented and confirmed that all the laws, rules, regulations, orders, standards and guidelines as are specifically applicable to the Company relating to Industry/Labour etc., have been complied with.

We have examined compliance with the applicable clauses of the Secretarial Standards with respect to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013.

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

We further report that:

a. The Board of Directors of the Company is duly constituted. 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; whereas the Company appointed Ms. Komal Gupta as Chief Executive Officer (CEO) of the Company with effect from February 08, 2023, under section 203 of the Companies Act, 2013, together with holding of a position of Chief Financial Officer (CFO) of the company since May 12, 2022 and she will continue as Chief Financial Officer till a suitable person is appointed for the position of CFO.

b. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings and Meetings of Committees except in some cases where the meeting was held on a shorter notice with appropriate consent of all the directors and members. Agenda and detailed notes on agenda were sent in advance in adequate time before the meetings and a system exists for Directors for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

c. On verification of minutes, we have not found any dissent / disagreement on any of the agenda items discussed in the Board and Committee meetings from any of the Directors and all the decisions are carried through.

Based on the information received and records maintained, we further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

FOR SANDEEP JOSHI & ASSOCIATES
Company Secretaries

SANDEEP JOSHI
Proprietor
ACS 42945, CP No. 19210
ICSI'S UDIN: A042945E000262362

Place: Dehradun
Date: May 5, 2023

Note: This report is to be read with our letter of even date which is annexed as **Annexure 1** and forms an integral part of this report.

ANNEXURE 1

To
The Members,
Windlas Biotech Limited
40/1, Mohabewala Industrial Area,
Dehradun, Uttarakhand, 248110

My Secretarial Compliance Report for the Financial Year ended on 31st March, 2023 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I 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. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR SANDEEP JOSHI & ASSOCIATES
Company Secretaries

SANDEEP JOSHI
Proprietor
ACS 42945, CP No. 19210
ICSI'S UDIN: A042945E000262362

Place: Dehradun
Date: May 5, 2023

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Good Corporate Governance is imbibed in the culture of the Company and is one of the most integral part of the Company's Management and business philosophy. The Company abides by the principles and spirit of good Corporate Governance and embeds the principles of independence, transparency, accountability, integrity into the value system that drives the Company and its growth.

The Board of Directors exercise their responsibilities towards all the stakeholders and ensure that transparency is maintained at all times. Moreover, they also ensure that there is independence in the decision making process. The Company has a Code of Conduct in place which serves as a guide to each employee, on the standards of values, ethics and business principles.

The Company also has a Whistle Blower Policy that provides a mechanism for the employees to approach the Chairman of the Audit Committee and disclose information that may evidence unethical or improper activity concerning the Company.

2. BOARD OF DIRECTORS

a. Composition

The present Board comprises of 8 members: 4 Non-Executive Directors (NEDs) and Mr. Hitesh Windlass is the Managing Director, Mr. Manoj Kumar Windlass is Joint Managing Director, Mr. Ashok Kumar Windlass is Wholetime Director and Mr. Pawan Kumar Sharma is Executive Director of the Company. Out of the 4 NEDs, 3 are Independent Directors and one director viz. Ms. Prachi Jain Windlass is a Non-Independent NED Woman Director. The Company has a Non-Executive Chairman (Independent Director) and the number of Independent Directors is one-third of the total number of Directors. Except Independent Directors and the Wholetime Director, all other Directors are liable to retire by rotation. None of the Directors on the Board holds directorship in more than ten public companies.

b. Independent Directors

All the Independent Directors of the Company have confirmed that they satisfy the criteria of independence as indicated in the Companies Act, 2013 (the Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) including any statutory modification/enactments thereof. They have also confirmed their registration with the databank of Independent Directors maintained by the Indian Institute of Corporate Affairs in compliance with the requirements of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties. The Board of Directors of the Company confirm that in its opinion, the Independent Directors fulfill the conditions specified in Listing Regulations and are independent of the Management of the Company.

None of the Independent Directors of the Company is a Wholetime Director of any listed company and does not serve as an Independent Director in more than 7 listed companies. The Independent Directors are appointed for a term of five years, subject to maximum of 2 terms of five years each or up to the age of retirement. The Company has issued letter of appointment to the Independent Directors in the manner as provided in the Act. The terms and conditions of their appointment have been disclosed on the website of the Company.

The Company follows the process for evaluation of the Directors, Board as a whole and evaluation of the respective Committees, based on certain criteria and questionnaires filled in by the Directors. The Nomination and Remuneration Committee has laid down the evaluation criteria for performance evaluation of Individual Directors (including Independent Directors) which also includes the attendance of Directors, commitment/ contribution at Board/Committee Meetings and guidance/ support to Management outside Board/ Committee Meetings. The Directors freely interact with the Management on information that may be required by them.

During the financial year 2022-23, a separate Meeting of Independent Directors of the Company was held on February 08, 2023 to discuss the performance evaluation based on the self assessment of Directors and the Board and also to assess the quality, content and timeliness of flow of information between the Management and the Board, including the quality of Board Agenda papers and Minutes. The Independent Directors have expressed their satisfaction and complimented the good process followed by the Company, including conduct of Board Meetings and quality of Minutes.

The Directors of the Company are familiarised with the Company's operations, business, industry, and environment in which it functions and the regulatory environment applicable to it. The familiarisation programme for Directors has been disclosed on the website of the Company.

https://windlas.com/policies/familarization-program-for-independent-directors/.

c. Performance Evaluation

Pursuant to the provisions of the Act and Listing Regulations, the Board has carried out the performance evaluation of the Directors, Board as a whole and Committees.

d. Non-Executive Directors' compensation and disclosures

Sitting fees is not paid to Non-Independent NEDs. However, sitting fees is paid to the Independent directors as decided by the management of the Company.

e. Other provisions as to Board and Committees

During 2022-23, four Board Meetings were held, through video conferencing on the following dates and the gap between two consecutive Board Meetings did not exceed 120 days.

Dates of meetings:- May 12, 2022, August 4, 2022, November 8, 2022 and February 8, 2023

Detailed agenda papers are circulated to all the Directors 7 days in advance for Meetings (other than if held by shorter notice) to enable them to attend and take informed decisions at the Meetings.

No Director is a Member of more than 10 Committees and Chairman of more than 5 Committees (Committees being Audit Committee and Shareholders' Relationship Committee as per Regulation 26(1) of the Listing Regulations), across all the public companies of which he/she is a Director. Necessary disclosures regarding Committee positions have been made by all the Directors.

The Board periodically reviews compliance of all laws applicable to the Company, based on a certificate given by the Managing Director, including the steps taken, to rectify instances of non-compliances, if any.

f. Code of Conduct

The Directors comply with the Code of Conduct as applicable to the company and as defined by the management of the company. Senior management includes the functional heads of the Company. The Independent Directors have also confirmed compliance with the Code as prescribed in Schedule IV to the Act.

g. Category and Attendance

The names, categories, position and Director Identification Number (DIN) of the Directors, their attendance at Board Meetings held during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies (as on March 31, 2023) are given below:

Name of Directors	Category	Board Meetings attended during 2022-2023	Attendance at the last AGM held on September 19, 2022	Number of Directorships in other public limited companies (excluding directorship in associations, private/ Section 8/foreign companies)	Number of Committee positions held in other public companies	
					Chairman	Member
Mr. Ashok Kumar Windlass	Whole Time Director	3	Yes	NIL	NA	NA
Mr. Manoj Kumar Windlass	Joint Managing Director	4	Yes	NIL	NA	NA
Mr. Srinivasan Venkataraman	Independent Director	4	Yes	NIL	NA	NA
Mr. Hitesh Windlass	Managing Director	4	Yes	NIL	NA	NA
Mr. Gaurav Gulati	Independent Director	4	Yes	NIL	NA	NA
Mr. Vivek Dhariwal	Independent Director	4	Yes	NIL	NA	NA
Ms. Prachi Jain Windlass	Non- Executive Director	1	Yes	NIL	NA	NA
Mr. Pawan Kumar Sharma	Executive Director	4	Yes	NIL	NA	NA

h. Directorship held in other listed entities as on March 31, 2023

No director holds any directorship in other listed entities as on March 31, 2023.

i. Matrix setting out skills/expertise competence of Board of Directors

1. **Vivek Dhariwal** is the Chairman and Non- Executive Independent Director of our Company. He holds a bachelor's degree in technology (chemical engineering) from the Indian Institute of Technology, Bombay and a master's degree in science (chemical engineering) from University of Kentucky. He has over 22 years of experience in manufacturing and supply operations. He was previously associated with ICI India Limited, Baxter India Private Limited and Pfizer Limited.

2. **Ashok Kumar Windlass** is the Wholetime Director of our Company. He holds a diploma in civil engineering from Government Polytechnic, Ambala City. He has over 54 years of experience in the manufacturing and pharmaceutical business in India. He is one of our Promoters and one of the founders of our Company. He is one of the first directors of our Company and was appointed as the Managing Director of our Company on April 1, 2001 and subsequently appointed as the Wholetime Director on May 3, 2021. He plays a significant role in the administration, legal and engineering functions of our Company. He has been conferred Uttarakhand Ratan at the 38th Annual All India Conference of Intellectuals organised by All India Conference of Intellectuals in 2018. He is also a director on the board of directors of Windlas Exports Private Limited and Ashok Vimla Trusteeship Services Private Limited.

3. **Hitesh Windlass** is the Managing Director of our Company. He holds a bachelor's degree in ceramic engineering from the Indian Institute of Technology, Banaras Hindu University and a master's degree in business administration from the Graduate School of Business, University of Chicago. He has set up our Domestic Trade Generics, OTC Brands and Exports SBVs and plays a significant

role in driving the technical operations, quality, R&D, manufacturing strategy and financial strategy of our Company. He has over 15 years of experience in the field of management. He was previously associated as a process engineer with Intel Corporation, USA. He joined our Company on January 21, 2008 as Director and was appointed as Managing Director of our Company on April 30, 2020.

4. **Manoj Kumar Windlass** is the Joint Managing Director of our Company. He holds a bachelor's degree in business administration from Georgia State University, Atlanta. He has over 17 years of experience in product development, operations, procurement and portfolio functions of the medicine business. He has set up our CDMO Services and Products SBV and plays a significant role in driving the product portfolio decisions and overall commercial operations including business development, supply chain and procurement of our Company. He joined our Company on April 1, 2006 as a Director of our Company and was appointed as Joint Managing Director of our Company on April 30, 2020.

5. **Pawan Kumar Sharma** is an Executive Director of our Company. He holds a bachelor's degree in Law from the Hemwati Nandan Bahuguna Garhwal University, Srinagar (Garhwal). He is responsible for the commercial and administrative activities of the Company. He has over 22 years of experience in the pharmaceutical industry. He joined our Company on April 1, 2001 as a Manager Taxation and Administrative and was elevated to the position of executive director on June 3, 2019.

6. **Prachi Jain Windlass** is the Non-Executive Director of our Company. She holds a bachelor's degree in technology from the Indian Institute of Technology, Delhi, master's degree in science (electrical engineering) from the University of Southern California, Los Angeles, and a master's degree in business administration from University of Chicago. She was previously associated with Boston Consulting Group, Gurgaon. Currently, she is associated with Michael & Susan Dell Foundation India LLP.

7. **Srinivasan Venkataraman** is a Non-Executive Independent Director of our Company. He is a fellow member of the Institute of Chartered Accountants of India. He was previously associated with Wealth Tree Advisors Private Limited, Hines, Aon Global Insurance Services Private Limited, and Lovelock & Lewes.

8. **Gaurav Gulati** is the Non-Executive Independent Director of our Company. He holds a bachelor's degree in science (computer science) from the University of Illinois, at Chicago and a master's degree in business administration from the University of Chicago Booth School of Business. He was previously associated with Oyo Hotels and Homes Private Limited.

3. AUDIT COMMITTEE

a. Composition, name of Members and Chairman

The Audit Committee comprise of 2 Non-Executive Independent Directors and 1 Managing Director-

Name	Position on the Committee	Designation
Mr. Srinivasan Venkataraman	Chairman	Independent Director
Mr. Gaurav Gulati	Member	Independent Director
Mr. Hitesh Windlass	Member	Managing Director

All members of the Committee are financially literate and have relevant finance and/or audit exposure. The Chief Financial Officer (CFO), and the Statutory Auditors attend the Meetings as Invitees. The Business Heads also attend the Meetings, as and when required. The Cost Auditor attends the meetings at which Cost Audit related matters are discussed. The Company Secretary acts as the Secretary and the Minutes are circulated and discussed at the Board Meetings.

b. **Meetings and attendance during the financial year**

Four meetings were held during the financial year 2022-23 on the following dates through video conferencing:-

May 12, 2022, August 4, 2022, November 8, 2022 and February 8, 2023

The attendance of each member of the committee is given below:-

Name of Members	No. of meetings attended
Mr. Srinivasan Venkataraman	4
Mr. Gaurav Gulati	4
Mr. Hitesh Windlass	4

The quorum shall be either two members or one third of the members of the Audit Committee whichever is greater, but there should be a minimum of two independent members present. Mr. Srinivasan Venkataraman attended the last AGM of the Company as Chairman of the Audit Committee. The Board of Directors has accepted all the recommendations made by the Audit Committee from time to time.

c. **Terms of reference and role of Audit Committee**

The terms of reference, powers and role of Audit Committee are in accordance with Regulation 18(3) and Schedule II of the Listing Regulations read with Section 177(4) of the Act. The broad terms of reference/ functions of the Audit Committee are as under:-

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommend appointment, remuneration and terms of appointment of auditors, including cost auditors, of the Company;
- Approval of payment to statutory auditors, including cost auditors, for any other services rendered by them;
- Review with the management, the annual financial statements and auditor's report thereon before submission to the Board for its approval, with particular reference to:
  a. matters required to be included in the Directors' responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  b. changes, if any, in accounting policies and practices and reasons for the same;
  c. major accounting entries involving estimates based on the exercise of judgement by management;
  d. significant adjustments made in the financial statements arising out of audit findings;
  e. compliance with listing and other legal requirements relating to financial statements;
  f. disclosure of any related party transactions;
  g. qualifications and modified opinion(s) in the draft audit report.
- Review with the management, the quarterly financial statements before submission to the Board for approval;
- Examination of the financial statement and auditor's report thereon;
- Monitoring the end use of funds raised through public offers and related matters;
- Review 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 utilised for the purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;

- Approval or any subsequent modification of transactions with related parties of the Company;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
  a. Review with the management, performance of statutory and internal auditors.
  b. Review with the management adequacy of the internal control systems.
- Review 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;
- Discuss with internal auditors of any significant findings and follow-up thereon;
- Review 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;
- Discuss with statutory auditors, internal auditors, secretarial auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- 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;
- Review the functioning of the Whistle Blower mechanism / oversee the vigil mechanism;
- Approval of appointment of Chief Financial Officer after assessing qualifications, experience and background, etc. of the candidate.
- Mandatorily review the following:
  a. Management Discussion and Analysis of financial condition and results of operations;
  b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  d. Internal audit reports relating to internal control weaknesses;
  e. Appointment, removal and terms of remuneration of the chief internal auditor
  f. Statement of deviations:
     - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)
     - annual statement of funds utilised for purpose other than those stated in the offer document / prospectus in terms of Regulation 32(5) of the Listing Regulations;
- Review financial statements, in particular the investments made by the Company's unlisted subsidiaries;
- Note report of compliance officer as per SEBI (Prohibition of Insider Trading) Regulations, 2015;
- Formulate the scope, functioning, periodicity of and methodology for conducting the internal audit;
- Review show cause, demand, prosecution notices and penalty notices, which are materially important;

- Review any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
- Review any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that may have negative implications on the Company;
- Details of any joint venture or collaboration agreement;
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Review the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

9. SUBSIDIARY COMPANIES

The Company has one Foreign unlisted subsidiary company.

The Board of Directors have adopted the Policy for determining 'material' subsidiaries as specified in Listing Regulations. This Policy is uploaded on the Company's website

https://windlas.com/policy-on-material-subsidiary/

As defined in Regulation 16(1)(c) of Listing Regulations, during 2022-23, the foreign subsidiary does not fall under the category of 'material subsidiary'. The financial statements of the subsidiary company, including investments made, if any, are reviewed by the Audit Committee. The financial performance, Minutes of Board Meetings of the subsidiary company and all significant transactions or arrangements entered into by the subsidiary company are reviewed by the Board.

10. RELATED PARTY TRANSACTIONS

The Company has in line with the requirements of the Listing Regulations formulated a Policy on materiality of Related Party transactions (RPTs) and also on dealing with RPTs, which has been uploaded on the website of the Company at https://windlas.com/policy-on-materiality-of-related-party/

The Audit Committee had granted omnibus approval upto certain threshold limits for RPTs during 2022-23 and the actual value of transactions were reviewed on quarterly basis vis-à-vis the limits. The Company had no materially significant RPTs that could have any potential conflict with the interest of the Company. During the year under review, besides the transactions reported in the Notes to Accounts (Refer Note No. 41 of the Standalone Financial Statements). Except as disclosed in Note No. 41 of the Standalone Financial Statements there were no other RPTs with promoters, directors, management, joint ventures/ subsidiaries, etc. that had any potential conflict with the interest of the Company at large.

All transactions with Related Parties were on arm's length basis and in the normal course of business during 2022-23. The interest of Directors, if any, in transactions are disclosed at Board Meetings and the interested Director does not participate in the discussion or vote on such transactions.

11. MANAGERIAL REMUNERATION

a. Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) comprise of the following members-

Name	Position on the Committee	Designation
Mr. Srinivasan Venkataraman	Chairperson	Independent Director
Mr. Gaurav Gulati	Member	Independent Director
Mr. Vivek Dhariwal	Member	Independent Director

During the year 2022-23, Two meetings were held on May 11, 2022, February 8, 2023 through video conferencing.

The attendance of each member of the Committee is given below:

Name	No. of meetings attended
Mr. Srinivasan Venkataraman	2
Mr. Gaurav Gulati	2
Mr. Vivek Dhariwal	2

The Minutes of NRC Meetings are circulated and noted by the Directors at the Board Meeting. Mr. Srinivasan Venkataraman, Chairman of NRC was present at the last AGM of the Company. The quorum of the NRC meeting is two members with at least one Independent Director. The Board of Directors has accepted all the recommendations made by NRC from time to time.

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

(i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

(ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;

The broad terms of reference and responsibilities of NRC as under:-

- Formulate 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;
- Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Devise a policy on Board diversity;
- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal;
- Consider extension or continue the term of appointment of the Independent Directors on the basis of the report of performance evaluation of Independent Directors;
- Specify the manner for effective evaluation of performance of Board, its Committees and Individual Directors to be carried out either by the Board, by the Human Resources, Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;

- Review Human Resource policies and overall human resources of the Company;
- Recommend / review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria;
- Administer, monitor and formulate detailed terms and conditions of the Windlas Biotech Limited – Employee Stock Option Plan 2021;
- Review information on recruitment and remuneration of senior officers just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary;
- Review significant labour problems and their proposed solutions;
- Review significant development in Human Resources / Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc;
- Recommend to the Board, all remuneration, in whatever form, payable to senior management;
- Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

b. Remuneration Policy

The Board has adopted the Remuneration Policy for Directors, KMPs and other employees as disclosed in the Directors' Report and uploaded on website of the Company at https://windlas.com/policies/nomination-and-remuneration-policy/

The key principles governing the Remuneration Policy are as under:-

a) The Key Managerial Personnel, Senior Management Personnel and other employees shall be paid remuneration as per the Compensation and Benefit Policy of the Company as revised through the ASR process from time to time.

b) The Human Resource department will inform the Committee, the requisite details on the proposed increments for every Annual Salary Review (ASR) cycle / process including payouts for the variable part (Performance Incentive).

c) The composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate the Key Managerial Personnel and Senior Management of the quality required to effectively run the Company. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks.

d) The market salary survey for total remuneration is commissioned with external consultants. The basket of companies chosen for the survey are selected and finalised by HR department in consultation with concerned department making requisition.

e) Revision in remuneration of Key Managerial Personnel assuming position of a director within the meaning of the Act, shall require prior approval of the Committee and the Board. Such Director shall not participate in discussion and voting thereon.

f) The remuneration, including revision in remuneration, payable to Senior Management shall be recommended by the Committee to the Board of Directors.

g) Remuneration to Non-Executive & Independent Directors.

Sitting Fees

The Independent Directors of the Company are entitled to sitting fees as determined by Board from time to time for attending Board / Committee meetings thereof in accordance with the provisions of Companies Act, 2013.

Profit-linked Commission

The Managing Director and Joint Managing Director are entitled to profit-linked commission within the monetary limit approved by the shareholders of the Company subject to the same not exceeding 1.5% (Individually) of the net profits of the Company computed as per the applicable provisions of the Companies Act. During the year under review provision of ₹ 6 Million each was made in the books of accounts for payment of commission to the Managing Director and Joint Managing Director as recommended by the NRC. The said commission was paid to the Managing Director and Joint Managing Director in the financial year 2023-24.

The remuneration of the Managing Director and Joint Managing Director is reviewed by the NRC based on certain criteria such as industry benchmarks, Company's performance and the responsibilities shouldered by them. Annual salary increment and commission or incentive remuneration is decided by the NRC within the overall ceilings prescribed under the Act and in line with the terms and conditions approved by the shareholders. The recommendation of the NRC is placed before the Board for its approval.

The Independent Directors of the Company are paid sitting fees for attending Board/ Committee Meetings, as under:

Meeting	Fees per Meeting (₹)*
Board Meeting	50000
Audit Committee Meeting	35000
Nomination and Remuneration Committee Meeting	35000
Corporate Social Responsibility Committee Meeting	35000
Stakeholders Relationship Committee Meeting	35000
Annual Independent Directors Meeting	Nil

The fees is paid to Independent Directors only. No sitting fees is paid to Non-Executive Directors.

*The fees is per person per meeting.

Remuneration to Directors

The Directors' remuneration paid/payable and sitting fees paid in 2022-23 and their shareholding in the Company as on date are given below:

Non-Executive Directors

Name of Directors	Commission for 2022-23 (₹ in million)	Sitting Fees paid in 2022- 23 (₹ in million)	No. of shares held
Ms. Prachi Jain Windlass	Nil	Nil	3

Executive Directors

Name of Directors	Salary in ₹ Million	Perquisites and allowances (₹ in million)	Commission for 2022-23 (₹ in million)	No. of shares held
Mr. Ashok Kumar Windlass	10.28	5.32	Nil	44,00,000
Mr. Hitesh Windlass	4.10	4.60	6.00	3
Mr. Manoj Kumar Windlass	6.21	2.49	6.00	3
Mr. Pawan Kumar Sharma	2.24	2.37	Nil	Nil

12. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee (SRC) reviews the shares related activities, also looks into the redressal of shareholder and investor complaints, compliances in respect of dividend payments and transfer of unclaimed amount to the Investor Education and Protection Fund pursuant to the provisions of Section 125 of the Act.

The composition of the Stakeholders Relationship Committee is as under:-

Name	Position on the Committee	Designation
Mr. Gaurav Gulati	Chairperson	Independent Director
Mrs. Prachi Jain Windlass	Member	Non Executive Director
Mr. Manoj Kumar Windlass	Member	Jt. Managing Director

During the year 2022-23, four meetings of SRC were held on May 11, 2022, August 3, 2022, November 8, 2022, February 8, 2023, mostly through video conferencing and the same were also attended by the Company Secretary. The Minutes of the SRC Meetings are circulated and noted by the Directors at Board Meetings. Mr. Gaurav Gulati attended the last AGM of the Company as Chairman of SRC.

In line with Listing Regulations, a charter defining the role of SRC has been formulated as under:

- To resolve the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;
- To review the measures taken for effective exercise of voting rights by shareholders;
- To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company;
- To take note, consider and resolve the total number of shareholders' complaints received from various authorities;
- To take note of the complaints not solved to the satisfaction of shareholders;
- To take note of total number of pending share transfers; and
- Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, 2013 or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended or by any other regulatory authority.

During 2022-23, 12 complaints were received from SEBI/RTA/Lead Managers to the Issue/ Stock Exchanges. which were suitably dealt with and attended. As on March 31, 2023, no complaints were pending.

Mr. Ananta Narayan Panda, Company Secretary and Compliance Officer of the Company liaise with SEBI and other regulatory authorities in the matter of investors complaints. The Board has nominated Mr. Ananta Narayan Panda as the Compliance Officer of the Company for monitoring the share transfer process and other related matters. His email id is grievance@windlasbiotech.com and his contact details are +91 124 2821030.

13. OTHER COMMITTEES

In addition to the above Committees, the Board has constituted Corporate Social Responsibility (CSR) Committee which comprises of:-

Name	Position on the Committee	Designation
Ms. Prachi Jain Windlass	Chairperson	Non-Executive Director
Mr. Vivek Dhariwal	Member	Independent Director
Mr. Ashok Kumar Windlass	Member	Whole Time Director
Mr. Manoj Kumar Windlass	Member	Joint Managing Director

A CSR Policy has been formulated by the Committee, which has been approved by the Board, to undertake CSR projects/ activities. During 2022-23, two meetings were held on August 3, 2022, February 8, 2023. The Board of Directors has accepted all the recommendations made by CSR Committee from time to time.

14. GENERAL BODY MEETINGS

The 19th AGM was held by the company at its Registered Office at Plot 40/1, Mohabewala Industrial Area, Dehradun, Uttarakhand 248110.

The 20th and 21st AGM were held through video conferencing/other audio visual means as permitted by the MCA and Securities and Exchange Board of India (SEBI). The date and time of the AGMs held during preceding three years are as given below:

Date of AGM	Time
19th AGM-August 28, 2020	2:30 pm
20th AGM-July 05, 2021	4:00 pm
21st AGM-September 19, 2022	12:30 pm

The following Special Resolutions were passed at the 19th AGM of the Company:-

1. Regularisation of appointment of Mr. Hitesh Windlass as Managing Director of the Company.
2. Regularisation of appointment of Mr. Manoj Kumar Windlass as Joint Managing Director of the Company.

No Special Resolutions were passed at the 20th AGM of the Company.

No Special Resolutions were passed at the 21st AGM of the Company.

15. DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AS REQUIRED UNDERREGULATION 36(3) OF LISTING REGULATIONS

As required under Regulation 36(3) of Listing Regulations, particulars of Director/s seeking appointment/ reappointment are given in the Explanatory Statement annexed to the Notice of the 22nd Annual General Meeting of the Company to be held on September 12, 2023.

16. DISCLOSURES

- A certificate from Sandeep Joshi & Associates, Practicing Company Secretaries, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the companies by SEBI, MCA or any such statutory authority is annexed as part of this Report
- Mr. Ashok Kumar Windlass, Whole Time Director, Mr. Hitesh Windlass, Managing Director, Mr. Manoj Kumar

Windlass, Joint Managing Director and Ms. Prachi Jain Windlass, Non-Executive Non-Independent Director are related to each other

- During the last three years, there were no strictures or penalties imposed by SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to capital markets

- The Company has adopted a Whistle Blower Policy which enables the employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct. The mechanism provides for adequate safeguards against victimisation of employees and provides direct access to the Chairman of the Board Audit Committee on concerns relating to financial accounting matters.

- **Credit Rating**

  ICRA Limited, i.e. the Credit Rating Agency has reaffirmed the long-term rating of the Company to [ICRA] A+ (pronounced ICRA A plus) ("Rating") and reaffirmed the short- term rating at [ICRA] A1 for facilities of the Company as per their letter dated November 28, 2022.

and regulations and their implication on the Company

- Senior Management has made the disclosure to the Board and confirmed that they had no material financial and commercial transactions that could have a potential conflict with the interest of the Company at large

- In the preparation of financial statements, the Company has followed the Accounting Standards as prescribed by the Central Government

- **Dividend Distribution Policy**

  The Company has formulated Dividend Distribution Policy which is available on the website of the Company.

- **Commodity price risk or foreign exchange risk and hedging activities**

  The Company does not deal in commodity and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required

- The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been made in Directors' Report

- Consolidated payment to Statutory Auditors

Sr. No.	Particulars	By Company (₹ In million)	By Subsidiary (₹ In million)	Total (₹ In million)
1.	Statutory Audit fees	2.40	Nil	2.40
2.	Other services	1.03	Nil	1.03
3.	Reimbursement of expenses	Nil	Nil	Nil

- The Company has complied with the mandatory requirements of Listing Regulation and has unqualified financial statements. The Directors freely interact with the Management on information that may be required by them. The Management also shares with the Board, changes/ proposed changes in relevant laws

17. MEANS OF COMMUNICATION

- The quarterly, half-yearly and annual financial results are generally published in widely circulated newspapers: Financial Express in English; Rashtriya Sahara in Hindi and also displayed on the website of the Company https://windlas.com/corporate-announcements/published-in-newspaper/ soon after its submission to the Stock

Exchanges.

- Shareholding Pattern, Corporate Governance Report and financial results are uploaded in the prescribed format, on NEAPS and Listing Centre maintained by NSE and BSE, respectively.
- The financial results, official news releases and presentations, conference calls with the institutional investors or with the analysts are displayed on the Company's website

  https:// windlas.com/financial-information/ financial-results-q3-oct-dec/.

  Copies of Press Release are filed with the Stock Exchanges.
- The Company's website contains information on Windlas' management, vision, mission, and policies.

18. GENERAL SHARHOLDERS INFORMATION

Date of Annual General Meeting	Tuesday, September 12, 2023 at 12.30 p.m. By Video Conferencing or other Audio Visual Means
Financial Calendar	April 1 to March 31 First Quarter Results – By August 14, 2023 Second Quarter Results – By November 14, 2023 Third Quarter Results – By February 14, 2023 Results for the year ending March 31, 2023 – By May 30, 2024
Date of Book Closure	September 6, 2023 to September 12, 2023 (both days inclusive)
Dividend Payment Date	Dividend, if declared would be paid on or after September 24, 2023
Listing on Stock Exchange	BSE Limited (BSE), P.J. Towers, Dalal Street, Mumbai 400 001 National Stock Exchange of India Limited (NSE) Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra East, Mumbai 400 051
Payment of Listing Fees	The Company has paid the listing fees to BSE and NSE for the year 2023-24.

Stock Code

BSE	543329
NSE	WINDLAS
ISIN for NSDL/CDSL	INE0H5O01029

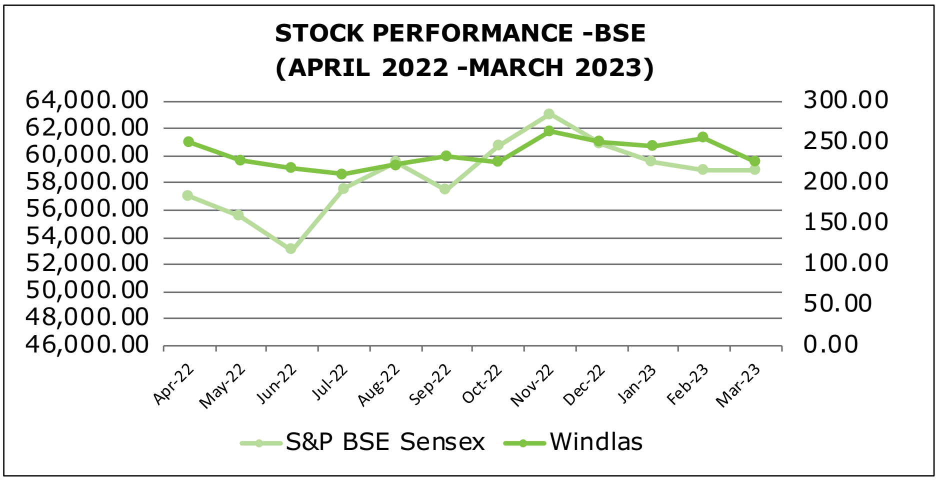
Market Information

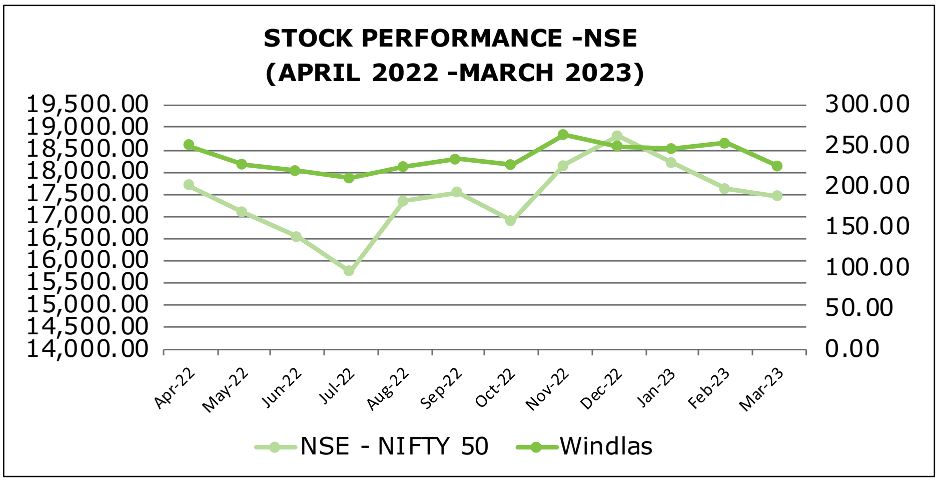
Market price data-monthly high/low and trading volumes during the last financial year on the BSE/NSE depicting liquidity of the Company's Equity Shares of ₹ 5 each on the said exchanges is given hereunder:

Month	BSE Limited			National Stock Exchange of India Ltd.		
	High	Low	Volume	High	Low	Volume
Apr-22	280.00	211.95	177385	284	212	1217066
May-22	253.00	214.00	151605	253.4	213	758401
Jun-22	232.55	203.15	29285	234	203.25	327069
Jul-22	233.00	209.00	37843	239.55	208	399625
Aug-22	232.90	203.55	91526	233.95	209.7	895833
Sep-22	261.20	219.00	219728	261.4	216.3	1937786
Oct-22	244.70	212.15	55825	244.8	212	665383
Nov-22	268.75	222.00	153051	269.75	225.4	1753757
Dec-22	265.00	238.95	45546	266.7	238.2	720645
Jan-23	261.85	233.00	47452	259.5	235	435626
Feb-23	262.85	238.00	40969	263.3	237.6	517071
Mar-23	258.60	220.95	25522	258.15	220.55	636336

The performance of the Company's scrip (Equity Shares of ₹ 5 each) as compared to the Sensex and NSE Nifty:

Month	Windlas Biotech's Closing Price on NSE on the last trading day of month (₹)	BSE Sensex at the Close of last trading day of the month	NSE Nifty at the Close of last trading day of the month
2022			
April	250.30	57060.87	17670.45
May	227.30	55566.41	17069.10
June	218.60	53018.94	16522.75
July	210.80	57570.25	15752.05
August	223.90	59537.07	17340.05
September	234.15	57426.92	17542.80
October	226.15	60746.59	16887.35
November	263.80	63099.65	18145.40
December	250.10	60840.74	18812.50
2023			
January	246.50	59549.90	18197.45
February	255.15	58962.12	17616.30
March	225.30	58991.52	17450.90





Distribution of shareholding as on March 31, 2023

No. Of equity shares held	No. of shareholders	No. of shares held	% of Issued Share Capital
Upto 5000	79745	4602812	21.97
5001 to 10000	28	198897	0.95
10001 and above	28	16144631	77.08
Total	**79801**	**20946340**	**100.00**
Physical Mode	-	-	-
Electronic Mode	79801	20946340	-
NSDL	27869	18077688	-
CDSL	51932	2868652	-

Shareholding Pattern as on March 31, 2023

Category	No. Of shares held	Percentage
Promoter and Promoter Group	13065352	62.38
Mutual funds	2228238	10.64
Alternate Investment Funds	195000	0.93
Banks	8706	0.04
NBFCs registered with RBI	294	0.00
Foreign Portfolio Investors	277513	1.32
Non Resident Individuals	125881	0.60
Body Corp-Ltd Liability Partnership	14219	0.07
Clearing Member	4815	0.02
Hindu Undivided Family	196868	0.94
Bodies Corporate	224687	1.07
Individuals/Public	4604767	21.99
Total	**20946340**	**100.00**

Shareholders holding more than 1% Equity Shares of the Company as on March 31, 2023

Name of Shareholder	No. Of Shares Held	% of Issued Share Capital
AKW WBL Family Private Trust	8381340	40.0134
Ashok Kumar Windlass	4400000	21.0061
ICICI Prudential Smallcap Fund	1958136	9.3483
Vimla Windlass	284000	1.3558
UTI - Healthcare Fund	215611	1.0293

Registrar and Transfer Agent	Link Intime India Private Limited
Share Transfer System	There are no cases of share transfer or transmission during the year since all shares are held in dematerialised form. However, the transmission cases and demat requests, if any, shall be processed and approved by the Share Transfer Committee of the Board on a fortnightly basis and it will be reported at the subsequent Board Meeting.
Dematerialisation of shares and liquidity	100% of the share capital has been dematerialised as on March 31, 2023.
Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity	The Company has not issued GDRs/ADRs/Warrants or any convertible instruments.
Plant locations	The Company's manufacturing activities are located at: 1. Dehradun Plant- I, located at 40/1, Mohabewala Industrial Area, Dehradun in Uttarakhand 2. Dehradun Plant- II, located at Khasra no. 141 to 143 and 145, Mohabewala Industrial Area, Dehradun in Uttarakhand 3. Dehradun Plant- III, located at Plot no. 39, Pharma City Selaqui Industrial Area, Dehradun in Uttarakhand 4. Dehradun Plant- IV, located at Plot no. 183 and 192, Mohabewala Industrial Area, Dehradun in Uttarakhand
Addresses for correspondence	All correspondence relating to shares should be addressed to Link Intime India Private Limited, C-101, 1st Floor, 247 Park Lal Bhadur Shastri Marg Vikhroli (West) Mumbai, Maharashtra400083. The Company's Registrar and Transfer Agent at the address mentioned aforesaid. Shareholders holding shares in electronic mode should address their correspondence to the respective Depository Participants.

Unclaimed Dividends

Pursuant to Section 125 of the Act, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Shareholders are advised to claim the un-cashed dividends lying in the unpaid dividend accounts of the Company before the due date. Given below are the dates of declaration of dividend and due dates for claiming dividend.

Date of Declaration of dividend	Dividend for the year	Due for transfer to the IEPF	Amount lying in unpaid dividend account as on March 31, 2023
September 19, 2022	2021-22	October 19, 2029	₹ 95,798.71

Pursuant to Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time), the Equity Shares of the Company in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more are required to be transferred by the Company to IEPF Authority. The Company is not required to transfer any Equity Shares to IEPF Authority since no dividend has remained unclaimed or unpaid for seven consecutive years or more.

Remittance of Dividend through NACH/ DCF

Members holding shares in physical form, desirous of receiving dividend by direct electronic deposit through National Automated Clearing House (NACH)/ Direct Credit Facility arrangements with the Banker, to their bank accounts may authorise the Company by giving details of their NACH mandate. For more details, kindly write to the Company's Registrar and Transfer Agent – Link Intime India Private Limited.

Bank Details for Electronic Shareholding

While opening Accounts with Depository Participants (DPs), you may have given your Bank Account details, which were used by the Company for ECS/printing on dividend warrants for remittance of dividend. However, remittance of dividend through ECS/NECS has been replaced by NACH. In order to facilitate the Company to remit the dividend amount through NACH, please furnish your new bank account number allotted to you by your bank to your DPs, along with photocopy of cheque pertaining to your bank account.

Physical Transfer of Shares

As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Members can contact the Company by sending an email at grievance@windlasbiotech.com or to the Company's Registrar and Transfer Agent, Link Intime India Private Limited at delhi@linkintime.co.in for assistance in this regard.

Nomination Facility

Shareholders should register their nominations in Form SH-13 in case of physical shares with the Company's Registrar and Transfer Agent – Link Intime India Private Limited. In case of dematerialised shares, nomination should be registered by the shareholders with their DP. Nomination would help the nominees to get the shares transmitted in their favour in a smooth manner without much documentation/ legal requirements.

Receipt of Balance Sheet/other documents through Electronic mode

As servicing of documents to shareholders, including Notice of Annual General Meeting, Balance Sheet, Statement of Profit and Loss, etc. is permitted through electronic mail, the Company will send the Annual Report and other documents in electronic form to those shareholders whose e-mail address are registered with the Company's Registrar and Transfer Agent – Link Intime India Private Limited or made available by the Depositories.

In compliance with MCA Circular dated May 5, 2020 read with Circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 and SEBI Circulars dated May 12, 2020 and January 15, 2021, Notice of 22nd AGM along with the Annual Report 2022-23 is 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 2022-23 are also available on the Company's website "http://www.windlas.com/" and websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited at "http://www.bseindia.com/" and "http://www.nseindia.com/" respectively.

DECLARATION BY THE CEO ON COMPLIANCE WITH THE CODE OF CONDUCT

I hereby declare that all the Directors and Senior Management personnel have as on March 31, 2023 affirmed compliance of their respective Codes of Conduct adopted by the Company and confirmation to that effect has been given by each of them.

Place: Gurgaon
Date: May 5, 2023

Komal Gupta
Chief Executive Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To
The Members of
Windlas Biotech Limited
40/1, Mohabewala Industrial Area,
Dehradun, Uttarakhand, 248110

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Windlas Biotech Limited** having CIN: L74899UR2001PLC033407 and having registered office at 40/1, Mohabewala Industrial Area, Dehradun, Uttarakhand, 248110 (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 and 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 Directors Identification Number (DIN) status at the portal www.mca.gov.in) 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 March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of company by the Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs (MCA) or any such other Statutory Authority. or any such other Statutory Authority

Details of Directors:

Name	DIN	Begin date
Ashok Kumar Windlass	00011451	February 19, 2001
Manoj Kumar Windlass	00221671	April 01, 2006
Srinivasan Venkataraman	01132306	May 06, 2021
Hitesh Windlass	02030941	January 21, 2008
Gaurav Gulati	02308392	May 06, 2021
Vivek Dhariwal	02826679	May 06, 2021
Prachi Jain Windlass	06661073	May 03, 2021
Pawan Kumar Sharma	08478261	June 11, 2019

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 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 **Sandeep Joshi & Associates**

Sandeep Joshi
Practicing Company Secretary
Proprietor
Membership No. 42945
COP No. 19210
ICSI UDIN:A042945E000262351

Date: May 05, 2023
Place: Dehradun

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of
Windlas Biotech Limited
40/1, Mohabewala Industrial Area,
Dehradun, Uttarakhand, 248110

1. I have examined the compliance conditions of Corporate Governance by WINDLAS BIOTECH LIMITED (CIN: L74899UR2001PLC033407) for the year ending 31st March 2023 as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).
2. The compliance of conditions of Corporate Governance is the responsibility of the management. My examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. No investor grievance(s) are pending for a period exceeding one month against the Company as per the records maintained by the Company.
4. In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the management, I certify that the Company has complied with all applicable conditions of Corporate Governance as stipulated in the Listing Regulations.
5. The Company has submitted and published the Financial Results for all the quarters within the stipulated time.
6. I 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 **Sandeep Joshi & Associates**

Sandeep Joshi
Practicing Company Secretary
Proprietor
Membership No. 42945
COP No. 19210
UDIN:A042945E000262417

Date: May 05, 2023
Place: Dehradun

windlas

Standalone Financial Statements

INDEPENDENT AUDITOR'S REPORT

To The Members Of Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited)

Report on the Audit of the Standalone financial Statements

OPINION

We have audited the accompanying Standalone financial statements of **Windlas Biotech Limited** (formerly known As Windlas Biotech Private Limited) ("the Company"), which comprise the Standalone Balance Sheet as at 31 March 2023, and the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the 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 2023, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

KEY AUDIT MATTERS:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report:

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue Recognition:** For the year ended March 31, 2023 the Company has recognized revenue from contracts with customers amounting to ₹ 5105.81 millions. Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.	**Our audit procedures included the following:** • Understanding the policies and procedures applied to revenue recognition, as well as compliance thereof, including an analysis of the effectiveness of controls related to revenue recognition processes employed by the Company.

Sr. No.	Key Audit Matter	Auditor's Response
	Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. The risk is, therefore, that revenue may not be recognized in the correct period or that revenue and associated profit is misstated. Refer to Accounting Policies Note 2.13 and Note No. 26 of the Standalone Financial Statements.	• On sample basis, examining supporting documents for the sales transaction occurring during the year and near the end of the accounting period including the credit notes issued after period end to verify the occurrence and accuracy of revenue, whether revenue recording was consistent with the conditions, and whether it was in compliance with the Company's Policy. • Performed analytical procedure to identify the unusual trends and also tested journal entries recognized in revenue focusing on unusual or irregular transactions.

Information other than the Standalone financial statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprise the information included in the in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements, Standalone financial statements and our auditor's report thereon.

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 report that fact. We have nothing to report in this regard

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

The 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 Standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS 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 of 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-

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

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

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

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

c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows 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 Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2015, as amended from time to time.

e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 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 Auditor's 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, the remuneration paid by the Company 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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its Standalone financial statements. Refer Note no. 47 to the Standalone financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts. The Company did not have any long-term derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

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

v. According to the information and explanations given to us, the final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable. The company has not declared or paid any interim dividend during the year. The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **S S KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Reg. No. 000756N

Vijay Kumar
Partner
Membership No. 092671
UDIN: 23092671BGSIBE3328

Place: New Delhi
Date: May 05, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure as referred in clause (1) 'Report on Other Legal and Regulatory Requirements of our Independent Auditors' Report to the members of **Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited)** on the Standalone financial statements for the year ended 31 March 2023, we report that:

i. (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment & and relevant details of right- of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular program of physical verification of its Property, Plant & Equipment and right to use assets which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, all major items of assets were physically verified by the management during the year and no material discrepancies were noticed on such verification as compared to the books of accounts.

(c) According to the information and explanation given to us and based on our examination of records, we report that, the title deeds of all immovable properties disclosed in the financial statements included under Property, Plant and Equipment (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company as at the balance sheet date except for the following property which was transferred as a result of an amalgamation of companies as stated in the Note 3 to the Standalone Financial Statements wherein the title deeds are in the name of the erstwhileCompany:

Description of Property	Gross Carrying Value(Amount in millions)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
Land	137.73	Windlas Healthcare Private Limited	No	From May 1, 2020	Pursuant to scheme of arrangement for merger in Financial Year 2020-21 these assets are in the process of being transferred in the name of the Company.
Building	145.15	Windlas Healthcare Private Limited	No	From May 1, 2020	
Total	**282.88**				

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

(e) According to the information and explanations given to us, no proceedings have been initiated against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder as well no proceedings are pending against the company.

ii. (a) We have been explained by the management that the inventory (except stock lying with the third parties and in transit, for which confirmations have been received/ material received) has been physically verified at reasonable intervals and the procedures of physical verification of inventory followed by the management are reasonable in relation to the size of the Company and nature of its business. According to information and explanations given to us, no material discrepancies were noticed between the physical stock and the book records.

(b) According to the information and explanations given to us, the company has been sanctioned working capital limits in excess of 5 crores from banks on the basis of security of current assets; The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

iii. According to the information and explanations given to us, the company has not provided loans, advances in the nature of loans, guarantee & security to any other entity during the year. Also, the company has not made any investments during the year. Accordingly, reporting under clause 3(iii) (a), (b), (c), (d), (e) & (f) of the Order is not applicable for the year.

iv. According to the information and explanations given to us, the Company has not given any loan or guarantee or provided any security covered under section 185 of the Act. The company has complied with the provision of section 186 of the act in respect of investments made.

v. According to the information and explanations given to us, the Company has not accepted any deposits or deemed deposits from the public within the meaning of sections 73 to 76 of the Act and the rules framed there under. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for the maintenance of cost records under sub-section 1 of section 148 of the Act and are of the opinion that, prima facie, the prescribed records and accounts have been made and maintained. However, we have not carried out a detailed examination of such records with a view to determining whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Goods & Service Tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax and any other statutory dues with appropriate authorities to extend applicable.

According to the information and explanations given to us and on the basis of examination of the records of the Company, there are no undisputed statutory dues payable for the period of more than six months from the date they become payable as on 31st March 2023.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March 2023 on account of disputes are given below.

Name of Statute	Nature Of Dues	Period (F.Y.) to which the amount relates	Amount Demanded (excluding Interest in millions)	Amount paid in millions	Forum Where Dispute is Pending
State Excise Act Uttarakhand	State Excise Duty	FY 2008-2009 to FY 2012-13	25.30	25.30	Hon'ble High Court, Nainital

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961); reporting under clause 3(viii) of the Order is not applicable.

ix. (a) According to the information and explanation given to us and based on our examination of records, the Company has not defaulted in repayment of loans or other borrowings or in the payment of Interest thereon to any lender during the year.

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

(c) According to the information and explanations given to us, the company has not taken any term loans during the year.

(d) According to the information and explanation given to us and based on our examination of records, funds raised on short term basis have not been utilised for long term purposes.

(e) According to the information and explanations given to us and based on our examination of records, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary or joint venture.

(f) According to the information and explanations given to us and based on our examination of records, the company has not raised loans during the year on the pledge of securities held in its subsidiary or joint venture.

x. (a) In our opinion and according to information and explanations given by the management and audit procedures performed by us, monies raised by the Company by way of initial public offer and term loans were applied for the purpose for which they were raised.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (x) (b) of the Order is not applicable

xi. (a) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud by the Company or on the Company being noticed or reported during the year, nor have we been informed of such case by the management.

(b) According to the information and explanations given to us and based on our examination of records, no report under sub-section (12) of section 143 of the Companies Act has been filed 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 explanations given to us, no whistle-blower complaints have been received by the company during the year.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013, where applicable, and details of such transactions have been disclosed in the Standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under section 133 of the Companies Act, 2013.

xiv. (a) In our opinion and according to the information and explanations given to us, the company has an adequate internal audit system commensurate with the size and nature of its business.

(b) As a part of audit procedures, the reports of the Internal Auditors for the year under audit were considered by us.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.

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

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, this clause of the Order is not applicable.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment

Company. Accordingly, this clause 3 (xvi) (c) of the Order is not applicable.

(d) In our opinion and according to the information and explanations given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi) (d) of the Order is not applicable.

xvii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash losses during the current financial year and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. (a) In respect to other than ongoing projects, there are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx) (a) of the Order is not applicable for the year.

(b) According to the information and explanations given to us, the company has not undertaken any ongoing projects for CSR during the year, accordingly reporting under Clause (xx) (b) of the Order is not applicable for the year.

For **S S KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Reg. No. 000756N

Vijay Kumar
Partner
Membership No. 092671
UDIN: 23092671BGSIBE3328

Place: New Delhi
Date: May 05, 2023

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT

"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of WINDLAS BIOTECH LIMITED (formally known as Windlas Biotech Private Limited)

Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in clause 2(f) of 'Report on Other Legal and Regulatory Requirements' of our Independent Auditor's Report.

We have audited the internal financial controls with reference to financial statements of **Windlas Biotech Limited (**formally known as Windlas Biotech Private limited) ("the Company") as of 31 March 2023 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls with reference to financial statements (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing,prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 judgement, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to 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 tofinancial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2)

provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to 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 tofinancial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to Financial statements issued by the Institute of Chartered Accountants of India.

For **S S KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Reg. No. 000756N

Vijay Kumar
Partner
Membership No. 092671
UDIN: 23092671BGSIBE3328

Place: New Delhi
Date: May 05, 2023

STANDALONE BALANCE SHEET

as at March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	1,025.99	884.35
Capital work in Progress	4	138.01	75.81
Right of Use	5	63.01	22.99
Other Intangible Assets	6 (a)	5.05	4.50
Intangible Assets Under Development	6 (b)	9.79	4.32
Financial Assets:			
(i) Investments	9	0.34	0.34
(ii) Other Financial Assets	10	76.37	51.78
Deferred Tax Assets (Net)	7	20.25	20.35
Other Non-Current Assets	11	415.92	29.50
		1,754.73	**1,093.94**
Current Assets			
Inventories	12	747.38	587.10
Financial Assets:			
(i) Investments	9	1,065.14	648.24
(ii) Trade Receivables	13	1,168.60	1,107.72
(iii) Cash and Cash Equivalents	14	36.85	5.52
(iv) Bank Balance other than cash and cash equivalents	15	217.68	1,132.53
(v) Other Financial Assets	10	14.68	41.55
Current Tax Assets (Net)	8	-	40.96
Other Current Assets	11	285.02	252.71
		3,535.35	**3,816.33**
Total assets		**5,290.08**	**4,910.27**
EQUITY AND LIABILITIES			
Equity			
(i) Equity Share Capital	16	104.63	108.97
(ii) Other Equity	17	3,922.02	3,842.29
		4,026.65	**3,951.26**
Liabilities			
Non-Current Liabilities			
Financial Liabilities:			
(i) Borrowings	18	1.09	4.44
(ii) Lease liability	19	30.17	-
(iii) Other Financial Liabilities	20	3.18	2.38
Provisions	21	20.18	15.66
		54.62	**22.48**
Current Liabilities			
Financial Liabilities:			
(i) Borrowings	23	3.35	56.77
(ii) Trade Payables	24		
(a) total outstanding dues of micro enterprises and small enterprises		33.71	47.82
(b) total outstanding dues for creditors other than micro enterprises and small enterprises		840.11	581.17
(iii) Lease liability	19	15.32	5.16
(iv) Other Financial Liabilities	20	264.47	227.27
Other Current Liabilities	25	41.46	15.04
Provisions	21	4.48	3.30
Current Tax Liabilities (Net)	22	5.91	-
		1,208.81	**936.53**
Total equity and liabilities		**5,290.08**	**4,910.27**

Summary of significant accounting policies
Accompanying notes form an integral part of the financial statements

As per our report of even date

For SS Kothari Mehta & Company
Chartered Accountants
Firm Registration Number - 000756N

Vijay Kumar
Partner
Membership No. - 092671
Place: New Delhi
Date: May 05, 2023

For and on behalf of the board of directors of Windlas Biotech Limited
(formerly known as Windlas Biotech Private Limited)

Ashok Kumar Windlass
Whole Time Director
DIN: 00011451
Place: Dehradun
Date: May 05, 2023

Hitesh Windlass
Managing Director
DIN: 02030941
Place: Gurgaon
Date: May 05, 2023

Manoj Kumar Windlass
Joint Managing Director
DIN: 00221671
Place: Dehradun
Date: May 05, 2023

Komal Gupta
CEO & CFO
Place: Gurgaon
Date: May 05, 2023

Ananta Narayan Panda
Company Secretary
Place: Gurgaon
Date: May 05, 2023

STANDALONE PROFIT AND LOSS

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from Operations	26	5,130.83	4,659.30
Other Income	27	99.65	67.06
Total Income		**5,230.48**	**4,726.36**
Expenses			
Cost of Material Consumed	28	3,407.14	3,075.58
Changes in Inventories of Finished goods and Work-in-progress	29	(152.67)	(47.42)
Employee Benefit Expenses	30	703.21	634.08
Finance Cost	31	7.86	14.17
Depreciation and Amortization expense	32	123.64	121.47
Other Expenses	33	570.73	468.11
Total Expenses		**4,659.91**	**4,265.99**
Profit before exceptional items and tax		**570.57**	**460.37**
Profit before tax		**570.57**	**460.37**
Income tax expense			
Current tax	7	143.50	101.33
Deferred Tax	7	0.63	(26.57)
Total Tax Expense		144.13	74.76
Profit for the year		**426.44**	**385.61**
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit plans- gain/(loss)		(2.09)	(2.41)
Income tax effect		0.53	0.61
Other Comprehensive Income for the year		**(1.56)**	**(1.80)**
Total Comprehensive Income for the year		**424.88**	**383.81**
Earnings per share:			
Basic (in ₹)		19.71	18.81
Diluted (in ₹)		19.71	18.81
Face value per share (in ₹)		5	5

Summary of significant accounting policies

Accompanying notes form an integral part of the financial statements

As per our report of even date

For SS Kothari Mehta & Company
Chartered Accountants
Firm Registration Number - 000756N

For and on behalf of the board of directors of Windlas Biotech Limited
(formerly known as Windlas Biotech Private Limited)

Vijay Kumar
Partner
Membership No. - 092671
Place: New Delhi
Date: May 05, 2023

Ashok Kumar Windlass
Whole Time Director
DIN: 00011451
Place: Dehradun
Date: May 05, 2023

Hitesh Windlass
Managing Director
DIN: 02030941
Place: Gurgaon
Date: May 05, 2023

Manoj Kumar Windlass
Joint Managing Director
DIN: 00221671
Place: Dehradun
Date: May 05, 2023

Komal Gupta
CEO & CFO
Place: Gurgaon
Date: May 05, 2023

Ananta Narayan Panda
Company Secretary
Place: Gurgaon
Date: May 05, 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Equity shares of face value ₹ 5 each issued, subscribed and fully paid up

Particulars	No. of shares	Amount
As at March 31, 2021	**6,411,063**	**64.11**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance as on April 1, 2021	**6,411,063**	**64.11**
Impact of split of shares	6,411,063	-
Issue of Bonus shares	5,385,293	26.93
Fresh issue of Equity shares	3,586,956	17.93
As at March 31, 2022	**21,794,375**	**108.97**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance as on April 1, 2022	**21,794,375**	**108.97**
Impact of Buy Back of Shares	(867,747)	(4.34)
As at March 31, 2023	**20,926,628**	**104.63**

B. OTHER EQUITY

Particulars	Reserves and surplus					Total Equity
	Securities premium	General Reserve	ESOP Reserve	Retained earnings	Capital Redemption Reserve	
As at March 31, 2021	**754.91**	**136.25**	-	**1,034.63**	-	**1,925.79**
Changes in accouting policy or prior period errors	-	-	-	-	-	-
Restated balance as on April 1, 2021	**754.91**	**136.25**	-	**1,034.63**	-	**1,925.79**
Issue of Bonus shares	(26.93)	-	-	-	-	(26.93)
Issue of Equity shares	1,632.08	-	-	-	-	1,632.08
Share issue expenses	(90.59)	-	-	-	-	(90.59)
ESOP reserve created during the year	-	-	18.13	-	-	18.13
Profit for the year	-	-	-	385.61	-	385.61
Other comprehensive income, net of income tax	-	-	-	(1.80)	-	(1.80)
As at March 31, 2022	**2,269.47**	**136.25**	**18.13**	**1,418.44**	-	**3,842.29**
Changes in accouting policy or prior period errors	-	-	-	-	-	
Restated balance as on April 1, 2022	**2,269.47**	**136.25**	**18.13**	**1,418.44**	-	**3,842.29**
Buy Back of Shares	(213.64)	-	-	-	-	(213.64)
Buy Back Tax	(49.76)	-	-	-	-	(49.76)
Buy Back Expenses	(4.18)	-	-	-	-	(4.18)
Share issue expenses	(11.37)	-	-	-	-	(11.37)
ESOP reserve created during the year	-	-	10.08	-	-	10.08
Profit for the year	-	-	-	426.44	-	426.44
Dividend paid	-	-	-	(76.28)	-	(76.28)
Other comprehensive income, net of income tax	-	-	-	(1.56)	-	(1.56)
Capital Redemption reserve	(4.34)	-	-	-	4.34	-
As at March 31, 2023	**1,986.18**	**136.25**	**28.21**	**1,767.04**	**4.34**	**3,922.02**

Summary of significant accounting policies
Accompanying notes form an integral part of the financial statements

As per our report of even date

For SS Kothari Mehta & Company
Chartered Accountants
Firm Registration Number - 000756N

For and on behalf of the board of directors of Windlas Biotech Limited
(formerly known as Windlas Biotech Private Limited)

Vijay Kumar
Partner
Membership No. - 092671
Place: New Delhi
Date: May 05, 2023

Ashok Kumar Windlass
Whole Time Director
DIN: 00011451
Place: Dehradun
Date: May 05, 2023

Hitesh Windlass
Managing Director
DIN: 02030941
Place: Gurgaon
Date: May 05, 2023

Manoj Kumar Windlass
Joint Managing Director
DIN: 00221671
Place: Dehradun
Date: May 05, 2023

Komal Gupta
CEO & CFO
Place: Gurgaon
Date: May 05, 2023

Ananta Narayan Panda
Company Secretary
Place: Gurgaon
Date: May 05, 2023

STANDALONE CASH FLOWS STATEMENT

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from operating activities		
Profit before tax	**570.57**	**460.37**
Adjustments for:		
Exceptional Items		
Depreciation & amortization expense	123.64	121.47
Balances written off (net)	0.54	3.13
Allowance for Doubtful Debts	22.75	3.48
(Gain) / Loss on Investments measured at FVTPL	(47.82)	(19.90)
ESOP Expenses	10.08	18.13
Assets written off	0.08	-
Net (gain)/ loss on sale of Property Plant & Equipment	(8.76)	(0.10)
Interest expense on borrowings	5.61	13.47
Interest expense on lease liability	2.25	0.70
Interest income	(34.90)	(42.85)
Operating Profit before working capital changes	**644.04**	**557.90**
Changes in operating assets and liabilities:		
Increase/(decrease) in provisions	5.70	2.41
Increase/(decrease) in trade payables	244.83	229.66
Increase/(decrease) in other financial liabilities	39.60	27.36
Increase/(decrease) in other current liabilities	26.42	(12.17)
Decrease/(increase) in trade receivables	(83.63)	(316.81)
Decrease/(increase) in inventories	(160.28)	(172.49)
Decrease/(increase) in other financial assets	22.84	(18.28)
Decrease/(increase) in other non current assets	(0.24)	(1.00)
Decrease/(increase) in other current assets	(32.30)	(117.81)
Cash generated from operations	**706.98**	**178.77**
Income taxes refunded/ (paid)	(97.16)	(88.80)
Net cash flow from operations (A)	**609.82**	**89.97**
Cash flow from investing activities		
Purchase of property, plant & equipment, Intangible assets and capital work in progress including capital advances and capital creditors	(708.90)	(147.99)
Sale of property, plant & equipment, Intangible assets and capital work in progress	9.10	1.10
Proceeds from redemption/ (investment in) Mutual Funds (net)	(369.08)	(415.49)
Interest received	45.50	25.62
Proceeds from redemption of / (Investment in) fixed deposits (net)	882.28	(1,006.32)
Net cash used in investing activities (B)	**(141.10)**	**(1,543.08)**
Cash flow from financing activities		
Proceeds/(Repayment) of Short Term Borrowings (Including current Maturity)	(53.42)	(248.07)
Share Issue Expenses	(11.37)	(77.85)
Proceeds from issue of equity shares	-	1,650.00
Buyback of equity shares	(271.93)	-
Dividend Paid	(76.28)	-

STANDALONE CASH FLOWS STATEMENT (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Repayment of Long Term Borrowings	(3.35)	(3.88)
Repayment of Lease liabilities (principal portion)	(13.17)	(5.17)
Interest paid (including interest on lease liabilities)	(7.87)	(14.15)
Net cash flow from/ (used in) financing activities (C)	**(437.39)**	**1,300.88**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**31.33**	**(152.23)**
Cash and cash equivalents at the beginning of the year	5.52	157.75
Cash and cash equivalents at the closing of the year	**36.85**	**5.52**

Notes:

a) Cash and Cash Equivalents included in Cash Flow Statement comprise of following (Refer Note 14):

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balances with Banks	36.63	3.54
Fixed deposits with original maturity of less than 3 months	-	1.82
Cash on Hand	0.22	0.16
Total	**36.85**	**5.52**

b) Reconciliation of changes in liabilities arising from financing activities:

Particulars	As at March 31, 2021	Net Cash Flows Fair value changes	Non cash changes	As at March 31, 2022
Long term borrowings	8.32	(3.88)	-	4.44
Short term borrowings*	304.84	(248.07)	-	56.77
Interest accrued	-	(14.15)	14.15	-
Lease liabilities	10.33	(5.17)	0.00	5.16
Equity Share Capital	-	1,650.00	(1,650.00)	-
Total Liabilities	**323.49**	**1,378.73**	**(1,635.85)**	**66.37**
Particulars	**As at March 31, 2022**	**Net Cash Flows Fair value changes**	**Non cash changes**	**As at March 31, 2023**
Long term borrowings	4.44	(3.35)	-	1.09
Short term borrowings*	56.77	(53.42)	-	3.35
Interest accrued	-	(7.87)	7.87	-
Lease liabilities	5.16	(13.17)	53.50	45.49
Equity Share Capital	-	(271.93)	271.93	-
Total Liabilities	**66.37**	**(349.74)**	**333.30**	**49.93**

* including current maturities of Long term borrowings

Summary of significant accounting policies

Accompanying notes form an integral part of the financial statements

As per our report of even date

For SS Kothari Mehta & Company
Chartered Accountants
Firm Registration Number - 000756N

Vijay Kumar
Partner
Membership No. - 092671
Place: New Delhi
Date: May 05, 2023

For and on behalf of the board of directors of Windlas Biotech Limited
(formerly known as Windlas Biotech Private Limited)

Ashok Kumar Windlass
Whole Time Director
DIN: 00011451
Place: Dehradun
Date: May 05, 2023

Hitesh Windlass
Managing Director
DIN: 02030941
Place: Gurgaon
Date: May 05, 2023

Manoj Kumar Windlass
Joint Managing Director
DIN: 00221671
Place: Dehradun
Date: May 05, 2023

Komal Gupta
CEO & CFO
Place: Gurgaon
Date: May 05, 2023

Ananta Narayan Panda
Company Secretary
Place: Gurgaon
Date: May 05, 2023

NOTES to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

1 CORPORATE INFORMATION

Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited) ('the Company') is a limited company domiciled in India and incorporated on February 19, 2001 under the provisions of the Companies Act, 1956 having its registered office at 40/1, Mohabewala Industrial Area, Dehradun, Uttarakhand. The Company is engaged in manufacturing and trading of pharmaceutical products. The Company's manufacturing facilities are located at Dehradun in Uttarakhand. Pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on April 03, 2021, the Company has converted from a Private Limited Company to a Public Limited Company and consequently, name of the Company has changed to Windlas Biotech Limited pursuant to fresh certificate of incorporation issued by ROC on April, 15 2021. The Standalone Financial Statements for the year ended March 31, 2023 were approved for issue by the Board of Directors, in accordance with resolution passed on 05th May 2023.

2 SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these Standalone Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.01 Basis of preparation

i) Compliance with IndAS

The Standalone Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013.

ii) Historical cost convention

The Standalone Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities:

i) Certain financial assets and liabilities that are measured at fair value

ii) Defined benefit plans-plan assets measured at fair value

2.02 The Standalone Financial Statements are presented in Indian Rupees ('INR') and all values are rounded to nearest millions (INR '000,000) upto two decimal places, except when otherwise indicated.

2.03 Current versus non-current classification

The Company presents assets and liabilities in the Standalone balance sheet based on current/non- current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- 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:

- It is expected to be settled in normal operating cycle
- It is held primarily for purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non current.

Deferred tax assets and deferred tax liabilities are classified as non- current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.04 Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal Companys) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate. Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

2.05 Common Control transactions

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Ind AS 103. Such transactions are accounted for using the pooling-of-interest method. The assets and liabilities of the acquired entity are recognised at their carrying amounts in the Company's Standalone financial statements with the exception of certain income tax and deferred tax assets. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies. The components of equity of the acquired companies are added to the same components within the Company's equity. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves. The acquiree companies' shares issued in consideration for the acquired companies are recognized from the moment the acquired companies are included in these Standalone financial statements and the financial statements of the commonly controlled entities would be combined, retrospectively, as if the transaction had occurred at the beginning of the earliest reporting period presented. However, the prior

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

year comparative information is only adjusted for periods during which entities were under common control.

2.06 Property, plant and equipment

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of input tax credit availed wherever applicable. Subsequent costs are included in asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Company and the cost of item can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

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.

Depreciation on property, plant and equipment is provided on prorata basis on written-down value method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful life is as follows:

Assets	Useful life (in years)
Building	30
Plant and machinery	15
Furniture and fixtures	10
Vehicles	8
Office equipment	5
Computers and servers	3-6
Exceptions to above	
Plant & machinery (Continuous Process plant)*	15
(Including second hand Purchase)*	
Lab Equipment *	15

*Based on Internal assessment the management believes that the useful life given above best represent the period over which management expects to use these assets

Transition to Ind AS On transition to Ind AS, the Company has elected to continue with the carrying value of all the items of property, plant and equipment recognized as at 1 April 2019, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

2.07 Intangible assets

Separately acquired intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles,

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

ii) Its intention to complete the asset;

iii) Its ability to use or sell the asset;

iv) How the asset will generate future economic benefits;

v) The availability of adequate resources to complete the development and to use or sell the asset; and

vi) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on straight line basis over the estimated useful life. During the period of development, the asset is tested for impairment annually.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortized on a straight line basis over the estimated useful economic life of 5 years, which represents the period over which the Company expects to derive economic benefits from the use of the assets.

Transition to Ind AS On transition to Ind AS, the Company has elected to continue with the carrying value of all the items of intangible assets recognized as at 1 April 2019, measured as per the previous GAAP, and use that carrying value as the deemed cost of such Intengible assets.

2.08 Impairment of non- financial Assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are Companyed at the lowest levels for the which there are separately identifiable cash inflows which largely independent of the cash inflows from other assets or Companys of assets (cash - generating units). Non - financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.09 Compound financial instruments

Compound financial instruments are separated into liability and equity components based on the terms of the contract. On issuance of compound financial instruments, the fair value of the liability component is determined using a market rate for an equivalent instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction cost) until it is extinguished on redemption/ conversion.

2.10 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.

(i) Financial Assets

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortized cost

The classification depends on entity's business model for managing the financial assets and the contractual terms of the cash flow.

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- Debt instruments at fair value through profit and loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments at amortized cost
- Equity instruments

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss),or recognized in other comprehensive income(i.e. fair value through other comprehensive income). For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

Debt instruments at amortized cost

A Debt instrument is measured at amortized cost if both the following conditions are met:

a) **Business Model Test** : The objective is to hold the financial asset to collect

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

b) **Cash flow characteristics test**: The contractual terms of the Debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in other income in profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments at fair value through OCI

A Debt instrument is measured at fair value through other comprehensive income if following criteria are met:

a) **Business Model Test** : The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.

b) **Cash flow characteristics test**: The contractual terms of the Debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognized in statement of profit and loss. On derecognition of asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit & loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

Debt instruments at FVTPL

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI, is classified as at FVTPL.A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognized in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

Equity investments of other entities

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which IND AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Company makes such election on an instrument-

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and loss.

Derecognition

A financial asset (or ,where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;

a) the Company has transferred the rights to receive cash flows from the financial assets or

b) the Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income(FVTOCI);

The Company follows "simplified approach" for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables;

  Under the simplified approach, the Company does not track changes in credit risk. Rather , it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12- months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider: (i) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument (ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

(a) Financial assets measured as at amortized cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(b) Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

(c) Debt instruments measured at FVTOCI: For debt instruments measured at FVTOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the "accumulated impairment amount".

(ii) Financial liabilities:

Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. the Company financial liabilities include loans and borrowings including bank overdraft, trade payables, trade deposits, retention money, liabilities towards services, sales incentive and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as 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. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationship as defined by Ind AS 109. The separated embedded derivate are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

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

Trade Payables

These amounts represents liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using Effective interest rate method.

Loans and borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the Effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognised as well as through the Effective interest rate amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective interest rate. The Effective interest rate amortization is included as finance costs in the statement of profit and loss. Borrowing are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Derecognition

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 lender on substantially different terms, or the terms of an existing

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

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 and loss.

Offsetting of financial instruments:

Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Reclassification of financial assets/ financial liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent.

The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

2.11 Inventories

a) Basis of valuation:

i) Inventories are valued at lower of cost and net realizable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.

b) Method of Valuation:

i) **Cost of raw materials and components** has been determined by using FIFO method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

ii) **Cost of finished goods and work-in-progress** includes direct labour and an appropriate share of fixed and variable production overheads and excise duty as applicable. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Cost is determined on moving weighted average basis.

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

2.12 Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity, respectively.

Current tax: Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws. The Company's management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax: Deferred income tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.13 i) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company collects Goods and Service Tax on behalf of government, and therefore, these are not consideration to which the Company is entitled, hence, these are excluded from revenue. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

a) Revenue from sale of goods

Revenue from sale of goods is recognised at the point in time when significant risk and rewards of ownership of the goods is transferred to the customer, generally ex-factory. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

b) Revenue from sale of services

Revenue from sale of services is recognised over a period of time because the customer simultaneously receives and consumes the benefits provided by the Company and accounted revenue as and when services are rendered on cost plus basis where cost is determined on principles mutually agreed with customers.

c) Consideration of significant financing component in a contract

The Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

d) Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current. Where the settlement is due after one year, they are classified as non-current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

e) Contract Assets

A contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. The impairment of contract assets is measured, presented and disclosed on the same basis as trade receivables.

f) Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

g) Impairment

An impairment is recognised to the extent that the carrying amount of receivable or asset relating to contracts with customers (a) the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which such asset relates; less (b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

ii) Other Income

a) Export incentives

Revenue from export benefits arising from duty drawback scheme, merchandise export incentive scheme are recognised on export of goods in accordance with their respective underlying scheme at fair value of consideration received or receivable.

b) Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

2.14 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. the liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

a) Compensated Absences

"Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of profit and loss in the year in which such gains or losses are determined."

(iii) Post-employment obligations

a) Gratuity

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is determined by actuarial valuation as on the balance sheet date, using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss on the earlier of:

(i) The date of the plan amendment or curtailment, and

(ii) The date that the Company recognises related restructuring costs. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

(i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and nonroutine settlements; and

(ii) Net interest expense or income

b) Provident fund

The Company makes contributions to statutory provident fund in accordance with the Employees Provident Fund and Miscellaneous Provisions Act, 1952, which is a defined contribution plan. The Company's contributions paid/payable under the scheme is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

c) Employee State Insurance

The Company makes prescribed monthly contributions towards Employees' State Insurance Scheme.

d) Superannuation Scheme

The Company contributes towards a fund established to provide superannuation benefit to certain employees in terms of Group Superannuation Policy entered into by such fund with the Life Insurance Corporation of India.

e) Pension Scheme

The Company makes contributions to the Pension Scheme fund in respect of certain employees of the Company.

2.15 Leases- Company as a lessee

Leases are accounted for using the principles of recognition, measurement, presentation and disclosures as set out in Ind AS 116 Leases. On inception of a contract, the Company assesses whether it contains a lease. A contract contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to use the asset and the obligation under the lease to make payments are recognised in the Company's financial statements as a right-of-use asset and a lease liability. Lease contracts may contain both lease and non-lease components. The Company allocates payments in the contract to the lease and non-lease components based on their relative stand-alone prices and applies the lease accounting model only to lease components.

The right-of-use asset recognised at lease commencement includes the amount of lease liabilities on initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated to a residual value over the rights-of-use assets' estimated useful life or the lease term, whichever is lower. Right-of-use assets are also adjusted for any re-measurement of lease liabilities and are subject to impairment testing. Residual value is reassessed at each reporting date. The lease liability is initially measured at the present value of the lease payments to be made over the lease term.

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

The lease payments include fixed payments (including 'in-substance fixed' payments) and variable lease payments that depend on an index or a rate, less any lease incentives receivable. 'In-substance fixed' payments are payments that may, in form, contain variability but that, in substance, are unavoidable. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The lease term includes periods subject to extension options which the Company is reasonably certain to exercise and excludes the effect of early termination options where the Company is not reasonably certain that it will exercise the option. Minimum lease payments include the cost of a purchase option if the Company is reasonably certain it will purchase the underlying asset after the lease term.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest on lease liability and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification e.g. a change in the lease term, a change in the 'in-substance fixed' lease payments or as a result of a rent review or change in the relevant index or rate. Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period over which the event or condition that triggers the payment occurs. In respect of variable leases which guarantee a minimum amount of rent over the lease term, the guaranteed amount is considered to be an 'in-substance fixed' lease payment and included in the initial calculation of the lease liability. Payments which are 'in-substance fixed' are charged against the lease liability.

The Company has opted not to apply the lease accounting model to intangible assets, leases of low-value assets or leases which have a term of less than 12 months. Costs associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Lease payments are presented as follows in the Company's statement of cash flows: (i) short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented within cash flows from operating activities; (ii) payments for the interest element of recognised lease liabilities are presented within cash flows from financing activities; and (iii) payments for the principal element of recognised lease liabilities are presented within cash flows from financing activities.

2.16 Government Grants

Government Grants are recognized at their fair value when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

2.17 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

2.18 Borrowing Costs

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are recognized as expense in the period in which they occur.

2.19 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institutions, other short - term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.20 Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's financial statements are presented in Indian rupee (INR) which is also the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are generally recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

2.21 Provisions and Contingent Liabilities

Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, 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

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. the Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Contingent assets Contingent assets are not recognised in the financial statements. Contingent assets are disclosed in the financial statements to the extent it is probable that economic benefits will flow to the Company from such assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.22 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.23 Exceptional items

Items which are material by virtue of their size and nature are disclosed separately as exceptional items to ensure that financial statements allows an understanding of the underlying performance of the business in the year and to facilitate comparison with prior year.

2.24 Employees Stock option plan

Some employees (including senior executives) of the Company receive remuneration in the form of share based payment, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.25 Standalone statement of cash flows

Standalone statements of cash flows is made using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferral accruals of past or future cash receipts or payments and item of income or expense associated with investing

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

or financing of cash flows. The cash flows from operating, financing and investing activities of the Company are segregated.

2.26 Significant accounting judgements, 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 the asset or liability affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the Standalone Financial Statements.

a) Recognition of deferred taxes

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

b) Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. the Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

c) Recognition of revenue

The price charged from the customer is treated as stand alone selling price of the goods transferred to the customer. At each balance sheet date, basis the past trends and management judgment, the Company assesses the requirement of recognising provision against the sales returns for its products and in case, such provision is considered necessary, the management make adjustment in the revenue. However, the actual future outcome may be different from this judgement.

d) Impairment of non-Financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An assets recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

e) Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease etc. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

f) Government grants

The Company assesses whether the government grant received is for purchase of capital assets or for meeting expenses as per the conditions attached to the grant and recognises the same as either deduction from cost of assets or income in statement of profit and loss.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority

b) Gratuity benefit

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions 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. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates for the respective countries. Further details about the assumptions used, including a sensitivity analysis, are given in Note 40.

c) Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d) Property, plant and equipment and intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. For managements estimates on useful life of assets refer note 2.06 and 2.07.

2.27 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1-Presentation of Financial Statements-

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and off setting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENT

	Freehold Land*	Buildings*	Plant & Machinery	Furniture & Fixtures	Office Equipments	Computers	Electrical Installation	Motor Vehicles	Total
Gross Block									
As at April 01, 2021	**215.71**	**451.74**	**740.95**	**26.11**	**7.18**	**7.42**	**34.80**	**9.02**	**1,492.93**
Additions	-	1.86	55.00	2.87	0.34	2.20	3.02	7.73	73.02
Disposals	-	-	-	-	-	-	1.41	4.77	6.18
As at March 31, 2022	**215.71**	**453.60**	**795.95**	**28.98**	**7.52**	**9.62**	**36.41**	**11.98**	**1,559.77**
Additions	97.88	35.99	106.91	4.13	0.09	2.98	0.95	1.32	250.25
Disposals	-	-	0.25	-	-	-	-	1.75	2.00
As at March 31, 2023	**313.59**	**489.59**	**902.61**	**33.11**	**7.61**	**12.60**	**37.36**	**11.55**	**1,808.02**
Depreciation									
As at April 01, 2021	**-**	**144.24**	**382.87**	**14.86**	**6.37**	**3.71**	**13.32**	**2.51**	**567.88**
Charge for the year	-	29.35	68.35	3.08	0.39	2.67	5.75	3.13	112.72
Disposals	-	-	-	-	-	-	0.77	4.41	5.18
As at March 31, 2022	**-**	**173.59**	**451.22**	**17.94**	**6.76**	**6.38**	**18.30**	**1.23**	**675.42**
Charge for the year	-	27.39	66.85	3.05	0.32	2.37	4.93	3.27	108.18
Disposals	-	-	0.16	-	-	-	-	1.41	1.57
As at March 31, 2023	**-**	**200.98**	**517.91**	**20.99**	**7.08**	**8.75**	**23.23**	**3.09**	**782.03**
Net Carrying Value									
As at March 31, 2022	**215.71**	**280.01**	**344.73**	**11.04**	**0.76**	**3.24**	**18.11**	**10.75**	**884.35**
As at March 31, 2023	**313.59**	**288.61**	**384.70**	**12.12**	**0.53**	**3.85**	**14.13**	**8.46**	**1,025.99**

* Details of properties where title deeds are not held in the name of the company as below:

Description of Property	Gross Carrying Value (Amount in millions)	Held in name of	Whether title deed holder is a promotor / director / employee or their relatives	Property held since which date	Reason for not being held in name of company
Land	137.73	Windlas Healthcare Private Limited	No	From May 1, 2020	Pursuant to scheme of arrangement for merger in FY 2020-21 these assets are in the process of being transferred in the name of the Company
Building	145.15	Windlas Healthcare Private Limited	No	From May 1, 2020	
Total	**282.88**				

4 CAPITAL WORK-IN-PROGRESS

	Amount
As at April 01, 2021	**0.37**
Additions	75.81
Expense off during the year	0.37
As at March 31, 2022	**75.81**
Additions	161.89
Expense off during the year	-
Capitalized during the year	99.69
As at March 31, 2023	**138.01**

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

Capital Work-in-progress as at March 31, 2023

	Amount of CWIP for a period of				
	< 1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	109.66	28.35	-	-	**138.01**
Projects temporarily suspended	-	-	-	-	-

Capital Work-in-progress as at March 31, 2022

	Amount of CWIP for a period of				
	< 1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	75.81	-	-	-	**75.81**
Projects temporarily suspended	-	-	-	-	-

5 RIGHT OF USE

	Vehicle	Leasehold land	Leasehold Buildings	Total
Gross Carrying Value				
As at April 1, 2021	-	**15.02**	**27.60**	**42.62**
Additions	-	-	-	-
Deductions	-	-	-	-
As at March 31, 2022	-	**15.02**	**27.60**	**42.62**
Additions	20.94	-	32.56	53.50
Deductions	-	-	-	-
As at March 31, 2023	**20.94**	**15.02**	**60.16**	**96.12**
Depreciation / Amortization				
As at April 1, 2021	-	**0.34**	**12.75**	**13.09**
Charge for the year	-	0.17	6.37	6.54
Deductions	-	-	-	-
As at March 31, 2022	-	**0.51**	**19.12**	**19.63**
Charge for the year	4.80	0.17	8.51	13.48
Deductions	-	-	-	-
As at March 31, 2023	**4.80**	**0.68**	**27.63**	**33.11**
Net Carrying Value				
As at March 31, 2022	-	**14.51**	**8.48**	**22.99**
As at March 31, 2023	**16.14**	**14.34**	**32.53**	**63.01**

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

6 (a) Other Intangible asset

	Product development	Software	Total
Gross Carrying Value			
As at April 01, 2021	**8.41**	**26.02**	**34.43**
Additions	-	1.89	1.89
Disposals	-	-	-
Impairment of asset	-	-	-
As at March 31, 2022	**8.41**	**27.91**	**36.32**
Additions	-	2.53	2.53
Disposals	-	-	**-**
As at March 31, 2023	**8.41**	**30.44**	**38.85**
Amortization			
As at April 01, 2021	**8.41**	**21.20**	**29.61**
Charge for the period	-	2.21	2.21
Disposals	-	-	-
As at March 31, 2022	**8.41**	**23.41**	**31.82**
Charge for the year	-	1.98	**1.98**
Disposals	-	-	**-**
As at March 31, 2023	**8.41**	**25.39**	**33.80**
Net Carrying Value			
As at March 31, 2022	**0.00**	**4.50**	**4.50**
As at March 31, 2023	**0.00**	**5.05**	**5.05**

6 (b) Intangible Assets Under Development

	Amount
As at April 1, 2021	**-**
Additions	4.32
Other direct expense	-
Capitalized during the year	-
Write off	-
As at March 31, 2022	**4.32**
Less : On disposal of subsidiary company	-
Additions	5.47
Other direct expense	-
Capitalized during the year	-
Write off	-
As at March 31, 2023	**9.79**

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

Intangible Assets Under Development as at March 31, 2023

	Amount of Intangible Assets Under Development for a period of				
	< 1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	5.47	4.32	-	-	**9.79**
Projects temporarily suspended	-	-	-	-	-

Intangible Assets Under Development as at March 31, 2022

	Amount of Intangible Assets Under Development for a period of				
	< 1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	4.32	-	-	-	**4.32**
Projects temporarily suspended	-	-	-	-	-

7 DEFERRED TAX

	Balance Sheet	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Accelerated depreciation as per Income tax Act, 1961	14.07	16.28
Employee benefits	13.57	11.23
Financial instruments measured at amortised cost	0.36	0.38
Financial instruments measured at fair value through P&L	(11.89)	(5.86)
Right of use, net of lease liability	(4.40)	(4.49)
Others	8.54	2.81
	20.25	**20.35**
Deferred tax comprise of:		
Deferred tax asset	48.00	32.00
Deferred tax liability	(27.75)	(11.65)
Net deferred tax asset/ (liability)	**20.25**	**20.35**

Movement of deferred tax	Statement of Profit & Loss	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Accelerated depreciation as per Income tax Act, 1961	2.20	(29.99)
Employee benefits	(2.34)	(0.86)
Financial instruments measured at amortised cost	0.02	0.54
Financial instruments measured at fair value through P&L	6.04	4.34
Right of use, net of lease liability	(0.09)	(0.34)
Others	(5.73)	(0.87)
	0.10	**(27.18)**
Tax impact of other comprehensive income	0.53	0.61
Deferred tax expense/ (credit) charged in profit and loss	**0.63**	**(26.57)**

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

7 INCOME TAX

	For the year ended March 31, 2023	For the year ended March 31, 2022
The major components of income tax expense are:		
Profit and loss -		
Current income tax:		
Current income tax charge	143.09	114.73
Adjustment of tax relating to earlier periods	0.41	(13.40)
Deferred tax:		
Related to origination and reversal of temporary differences	0.63	(26.57)
Income tax expense reported in the statement of profit and loss	**144.13**	**74.76**
Reconciliation of tax expense and accounting profit		
Accounting profit / (loss) before tax from continuing operations	570.57	460.37
Statutory income tax rate applicable	25.17%	25.17%
Tax at India's statutory income tax rate	143.61	115.87
Adjustment for less depreciation under income tax	13.41	7.67
Adjustment for gratuity, leave encashment and bonus allowed on actual paid basis	(1.49)	(0.20)
Income not taxable	(57.99)	(21.59)
Other expenses disallowed	34.45	13.01
Income chargeable at different tax rate	23.41	1.33
Others	(12.31)	(1.35)
Deferred tax asset expense/ (credit) during the year	0.63	(26.57)
Adjustments in respect of current income tax of previous years	0.41	(13.40)
Income tax expense reported in the statement of profit and loss	**144.13**	**74.76**

8 CURRENT TAX ASSETS (NET)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Advance tax (net of provision for taxation)	-	40.96
Total	**-**	**40.96**

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

9 INVESTMENTS

			Current		Non Current	
			As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Investments in Subsidary measured at cost (unquoted):						
Investment in Windlas Inc.			-	-	0.34	0.34
Investment in Mutual Funds measured at fair value through P&L	**Units at March 31, 2023**	**Units at March 31, 2022**				
ABSL Floating Rate Fund Direct Plan - Growth	765,306.200	Nil	229.28	-	-	-
TATA Money Market Fund - Direct Plan Growth	60,555.880	Nil	245.13	-	-	-
DSP Savings Fund - Direct Plan - Growth	1,977,522.460	Nil	90.94	-	-	-
ABSL Arbitrage Fund- Direct Growth	1,307,385.170	Nil	31.43	-	-	-
HDFC Low Duration Fund - Direct Plan Growth	1,274,812.278	1,274,812.278	66.95	63.47	-	-
L&T Arbitrage opportunities Fund Direct Plan Growth	Nil	6,284,250.896	-	102.11	-	-
HDFC Liquid Direct Plan Growth	24,422.028	24,422.028	108.02	102.20	-	-
Nippon India Arbitrage Fund Direct Plan Growth	Nil	4,488,428.265	-	102.46	-	-
Tata Arbitrage Fund-Direct Plan Growth	3,509,245.970	8,510,864.68	44.50	102.01	-	-
BARODA BNP PARIBAS Arbitrage Fund Direct Plan - Growth	2,302,431.017	Nil	32.84	-	-	-
DSP Arbitrage Fund Direct Plan - Growth	2,278,828.632	Nil	30.03	-	-	-
ICICI Prudential Savings Fund - Direct Plan - Growth	402,128.239	402,128.239	186.02	175.99	-	-
Total			**1,065.14**	**648.24**	**0.34**	**0.34**
Aggregate amount of quoted investments			1,065.14	648.24	-	-
Aggregate Market value of quoted investments			1,065.14	648.24	-	-
Aggregate amount of unquoted investments			-	-	0.34	0.34
Aggregate amount of impairment in value of investments			-	-	-	-

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

10 OTHER FINANCIAL ASSETS

	Current		Non Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Advance to Employees	0.54	0.17	0.00	0.05
Interest accrued on fixed deposits	4.38	16.39	-	-
Security Deposits	9.21	24.20	18.19	26.11
Fixed Deposit having remaining maturity of more than 12 months*	-	-	58.18	25.61
Earnest money deposit	0.55	0.80	-	-
Total	**14.68**	**41.55**	**76.37**	**51.78**

*There is a Lien on Fixed deposit for ₹ 5.74 millions as on March 31, 2023 and ₹ 2.48 millions as on March 31, 2022

11 OTHER ASSETS

	Current		Non Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Advances to suppliers/ vendors				
Capital Advances	-	-	387.71	1.53
Advances to Suppliers	14.63	26.19	-	-
Other Advances	1.55	3.41	-	-
Other assets				
Balances with government authorities (Refer Note 47)	260.13	207.83	27.22	26.24
Prepaid / Recoverable expenses	8.71	9.54	0.99	1.73
Other receivables	-	5.74	-	-
Total	**285.02**	**252.71**	**415.92**	**29.50**

12 INVENTORIES

	As at March 31, 2023	As at March 31, 2022
[The Inventory is valued at lower of cost and net realizable value]		
Classification of Inventories:		
Raw Materials & Packing Materials	382.05	349.12
Consumables	15.42	40.73
Work-in-progress	179.52	66.35
Finished Goods (including goods in transit of ₹ 2.60 millions as at March 31, 2023 and ₹ 26.59 millions as at March 31, 2022)	170.39	130.89
Total	**747.38**	**587.10**

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

13 TRADE RECEIVABLES

	As at March 31, 2023	As at March 31, 2022
Trade Receivables considered good – Unsecured	1,168.60	1,107.72
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	33.92	11.17
	1,202.52	**1,118.89**
Less: Allowance for expected credit loss	(33.92)	(11.17)
Total	**1,168.60**	**1,107.72**

The carrying value of the trade receivables may be affected by the changes in the credit risk as explained in note 44.

Generally, the average credit period is based on specific arrangement with the other party. Interest is charged as per the agreed terms post expiry of the credit period.

The following table summarises the change in impairment allowance measured using the life time expected credit loss model:

Particulars	As at March 31, 2023	As at March 31, 2022
At the beginning of the year	11.17	7.70
Provision made during the year	22.75	3.47
Utilized /(reversed) during the year	-	-
At the end of the year	**33.92**	**11.17**

Contract Balances

(A) Trade receivables, contract assets and contract liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables {Refer note (a) below}	1,168.60	1,107.72
Contract liabilities {Refer note (b) below}		
Advance from customers	20.07	7.30

Note (a)- Account receivables represent the amount for which performance obligation has been fulfilled and revenue recognized but the money is receivable from customer.

Note (b) - Advance from customers represents the obligation of the Company to transfer goods or services to the customers for which the consideration has already been received from the customers. Advance from customers are recognised as revenue when the Company performs under the contract with the customer.

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

(B) Unsatisfied performance obligation

Total value of performance obligation of the Company remaining unsatisfied at the end of year with timelines within which it is expected to recognise revenue :

Particulars	As at March 31, 2023	As at March 31, 2022
Within one year	20.07	7.30
More than one year	-	-

(C) During the year, revenue recognised from amounts included in contract liabilities at the beginning of the year is	7.30	14.84

13. (i) Classification and aging of Trade Receivables As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment						
	Not due	< 6 Months	6 months - 1 year	1-2 Years	2-3 Years	> 3 Years	Total
(i) undisputed trade Receivables – considered good	546.32	614.62	7.66	-	-	-	**1,168.60**
(ii) undisputed trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) undisputed trade Receivables – credit impaired	-	-	32.40	1.52	-	-	**33.92**
(iv) disputed trade Receivables – considered good	-	-	-	-	-	-	-
(v) disputed trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) disputed trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**546.32**	**614.62**	**40.06**	**1.52**	**-**	**-**	**1,202.52**
Less: Allowance for expected credit loss							(33.92)
Total Receivables							**1,168.60**

13. (ii) Classification and aging of Trade Receivables As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						
	Not due	< 6 Months	6 months - 1 year	1-2 Years	2-3 Years	> 3 Years	Total
(i) undisputed trade Receivables – considered good	599.80	495.95	11.97	-	-	-	**1,107.72**
(ii) undisputed trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) undisputed trade Receivables – credit impaired	-	-	11.17	-	-	-	**11.17**
(iv) disputed trade Receivables – considered good	-	-	-	-	-	-	-
(v) disputed trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) disputed trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**599.80**	**495.95**	**23.14**	**-**	**-**	**-**	**1,118.89**
Less: Allowance for expected credit loss							(11.17)
Total Receivables							**1,107.72**

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

14 CASH AND BANK BALANCES

	As at March 31, 2023	As at March 31, 2022
Balances with banks- in current accounts	36.63	3.54
Fixed deposits- original maturity less than 3 months	-	1.82
Cash in Hand	0.22	0.16
Total	**36.85**	**5.52**

15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2023	As at March 31, 2022
Receivable from IPO Public - Escrow Account	-	26.21
Fixed Deposit- Original maturity more than 3 months but upto 1 year*	217.68	1,106.32
Total	**217.68**	**1,132.53**

*There is a Lien on Fixed deposit for ₹ 12.99 millions as on March 31, 2023 and ₹ 0.76 millions as on March 31, 2022

16 EQUITY SHARE CAPITAL

(a) Authorised Share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Equity Shares		
Equity Shares of ₹ 5 each: 108,000,000 (Equity Shares of ₹ 5 each March 31, 2022: 108,000,000)	540.00	540.00
Instruments entirely equity in nature		
Preference Shares		
0.001% Non- Cumulative Compulsory Convertible Preference Shares of ₹ 100 each : 300,000 (March 31, 2022: 300,000)	30.00	30.00
Optionally Convertible Preference Shares of ₹ 10 each : 20,500,000 (March 31, 2022 : 20,500,000)	205.00	205.00
Total authorised share capital	**775.00**	**775.00**

(b) Issued, Subscribed & Fully Paid up Shares

Particulars	As at March 31, 2023	As at March 31, 2022
Equity Shares 20,926,628 of ₹ 5 each (March 31, 2022: 21,794,375 Equity Shares of ₹ 5 each)	104.63	108.97
Total issued, subscribed and fully paid up share capital	**104.63**	**108.97**

- The Company has only one class of issued shares referred to as equity shares having a par value of ₹ 5 each. The holder of equity shares are entitled to one vote per share.

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

- 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 shareholder

(c) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
Balance at the beginning of the year	21,794,375	108.97	6,411,063	64.11
Split of shares	-	-	6,411,063	-
Issue of Bonus shares	-	-	5,385,293	26.93
Fresh issue of Equity shares	-	-	3,586,956	17.93
Buy Back during the Year (Refer Note 46)	867,747	4.34	-	-
Balance at the end of the reporting year	**20,926,628**	**104.63**	**21,794,375**	**108.97**

(d) The Board of Directors at its meeting held on May 05, 2023, has proposed final dividend of ₹ 4.00 Per share subject to approval in annual general meeting.

The Board of Directors at its meeting held on May 12, 2022, has proposed final dividend of ₹ 3.50 Per share and the same was approved in the annual general meeting.

Particulars	As at March 31, 2023	As at March 31, 2022
Dividend proposed by the Board of Directors in their meeting subject to approval in annual general meeting and are not recognised as liability	83.19	76.28
Dividend paid by the company during the year	76.28	-

(e) Details of shareholders holding more than 5% shares in the Company

Name of shareholders	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of ₹ 5 each fully paid-up				
Sh. Ashok Kumar Windlass	4,400,000	21.03%	4,400,000	20.19%
AKW WBL Family Private Trust	8,381,340	40.05%	8,381,340	38.46%
ICICI Prudential SmallCap Fund	1,958,136	9.36%	-	0.00%
ICICI Prudential Pharma Healthcare and Diagnostics (PHD) Fund)	-	0.00%	1,121,827	5.15%
	14,739,476	**70.43%**	**13,903,167**	**63.79%**

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

(f) Details of promoters and promotors group shareholding

Name of shareholders	As at March 31, 2023		As at March 31, 2022		Changes in No of shares during the FY 2022-23	Changes in % of Holding during the FY 2022-23
	No. of shares	% of holding	No. of shares	% of holding		
Equity shares of ₹ 5 each fully paid-up						
Promotors Shareholding						
Sh. Ashok Kumar Windlass	4,400,000	21.03%	4,400,000	20.19%	-	0.84%
Smt. Vimla Windlass	284,000	1.35%	284,000	1.30%	-	0.05%
Sh. Hitesh Windlass	3	0.00%	3	0.00%	-	0.00%
Sh. Manoj Kumar Windlass	3	0.00%	3	0.00%	-	0.00%
Smt. Payal Windlass	3	0.00%	3	0.00%	-	0.00%
Smt. Prachi Jain Windlass	3	0.00%	3	0.00%	-	0.00%
Promotors Group Shareholding						
AKW WBL Family Private Trust	8,381,340	40.05%	8,381,340	38.46%	-	1.59%
	13,065,352	**62.43%**	**13,065,352**	**59.95%**	**-**	**2.48%**

(g) ESOP: Shares reserved for issue under options

During the year ended March 31, 2022, the Company has instituted "Windlas Biotech Limited - Employee Stock Option Plan 2021" ('ESOP Scheme 2021') pursuant to the approval of Board of Directors of the company as on April 16, 2021 and the Shareholders of the Company as on April 17, 2021.The maximum number of shares that may be issued pursuant to the scheme shall not exceed 546,222 shares. Out of 546,222 shares, 4,19,439 shares were granted on June 03, 2021 (grant date) to the eligible employees.

(h) Sub-Division: Subdivision of equity shares

During the year ended March 31, 2022, the equity shares of the Company having the face value of ₹ 10 (Rupees ten only) each were subdivided into 2 (two) equity shares having a face value of ₹ 5 (Rupees Five only) each. Accordingly 6,411,063 equity shares of face value of INR 10 each were sub divided into 12,822,126 equity shares of face value of ₹ 5 each.

(i) Bonus: Issue of Bonus Shares

During the year ended March 31, 2022, pursuant to Section 63 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, proposed that a sum of ₹ 26.93 millions be capitalized as Bonus Equity shares out of free reserves and surplus, and distributed amongst the Equity Shareholders by issue of 5,385,293 Equity shares of ₹ 5/- each credited as fully paid to the Equity Shareholders in the proportion of 4.2 (Four point two) Equity share for every 10 (Ten) Equity shares. In the preceding 5 years, there was no other Bonus issue and/or issue of shares other than for cash considerations.

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

17 OTHER EQUITY

	As at March 31, 2023	As at March 31, 2022
Security Premium		
Balance as per last Balance Sheet	2,269.47	754.91
Less Utilised for issue of Bonus shares	-	(26.93)
Add: Created from fresh issue of Equity shares	-	1,632.08
Less: Utilised for share issue expenses	(11.37)	(90.59)
Less: Transferred to Capital Redemption Reserve	(4.34)	-
Less: Buy Back of Shares	(213.64)	-
Less: Buy Back Tax	(49.76)	-
Less: Buy Back Expense	(4.18)	-
Balance as at the year end	**1,986.18**	**2,269.47**
General reserve		
Balance as per last Balance Sheet	136.25	136.25
Add: Additions during the year	-	-
Less: Utilized during the year	-	-
Balance as at the year end	**136.25**	**136.25**
Capital Redemption Reserve		
Balance as per last Balance Sheet	-	-
Add: Additions during the year	4.34	-
Less: Utilized during the year	-	-
Balance as at the year end	**4.34**	**-**
ESOP reserve		
Balance as per last Balance Sheet	18.13	-
Add: Additions during the year	10.08	18.13
Less: Utilized during the year	-	-
Balance as at the year end	**28.21**	**18.13**
Retained Earnings		
Balance as per last Balance Sheet	1,418.44	1,034.63
Add: Profit for the year	426.44	385.61
Add: Other comprehensive income (Net of tax)	(1.56)	(1.80)
Less: Dividend Paid	(76.28)	-
Balance as at the end of the year	**1,767.04**	**1,418.44**
Total	**3,922.02**	**3,842.29**

Nature and Purpose of Reserves

Security Premium

Securities Premium is credited when shares are issued at premium. It is utilized in accordance with the provisions of Act, to issue bonus shares, to provide for premium on redemption of shares, write-off equity related expenses like underwriting cost etc.

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

General reserve

General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividend, issue of bonus shares and fully / partly paid-up equity shares.

ESOP reserve

Share based payment reserve is used to recognise the value of equity settled share based payments provided to employees as a part of their remuneration.

Retained Earnings

Retained Earnings represents undistributed profit of the company which can be distributed to its Equity Share holders in accordance with requirements of Companies Act, 2013.

Capital Redemption Reserve

Capital redemption reserve is a reserve created on buy-back of equity shares in accordance with section 69 of the Companies Act, 2013. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

18 BORROWINGS

	Non Current	
	As at March 31, 2023	As at March 31, 2022
Term loans- Secured		
Loan from banks	4.44	8.08
Less: Current maturities of long-term debt (Refer Note: 23)	(3.35)	(3.64)
Loan from banks	1.09	4.44
Total	**1.09**	**4.44**

A. Terms of Loans taken

(i) Loan from SIDBI Bank amounting to ₹ 2.23 millions (March 31, 2022: ₹ 4.75 millions) carrying interest rate of 8.09% is outstanding as on March 31, 2023 and is repayable in 11 monthly instalments. The loan is secured by (A) First charge by the way of hypothecation on the MFAs of the company situated at Plot No. 40/1, Mohabewala Industrial Area, Dehradun, Uttarakhand 248110 & khasra no. 141KHA, khasra no. 142KHA, 143KA, 145KHA, 145GA at Mohabewala industrial area, Dehradun, Uttarakhand. proposed to be acquired out of the present assistance. (B) Extension of first charge by the way of Hypothecation of all movable assets including the movables, plant & machinery, spares, tools & accessories, office equipment, computers, furniture, already acquired out of earlier Term Loan assistances located at Kh no. 141KHA, 142 KHA, 143KHA, 145KHA, 145GA Mohabewala Industrial Area, District & Taluka: Dehradun Uttarakhand. (C) Personal Guarantee of Mr. Ashok Kumar Windlass, Mr. Hitesh Windlass and Mr. Manoj Kumar Windlass.

(ii) Loan from SIDBI Bank amounting to ₹ 2.21 millions (March 31, 2022: ₹ 3.33 millions) carrying interest rate of 5% (fixed) per annum,with monthly rest,on the principal amount of the loan outstanding as on March 31, 2023 and is repayable in 24 monthly instalments. The loan is secured by (A) Extension of first charge by the way of Hypothecation on Plant & Machinery / Misc. Fixed Assets, acquired from earlier SIDBI Term Loan installed at Plot No. 40/1, Mohabewala Industrial Area, Dehradun-248110. (B) Personal Guarantee of Mr. Ashok Kumar Windlass, Mr. Hitesh Windlass and Mr. Manoj Kumar Windlass.

B. As on the reporting date there is no default in repayment of loans and interest.

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

19 LEASE LIABILITY

	Current		Non Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Lease liability	15.32	5.16	30.17	-
Total	**15.32**	**5.16**	**30.17**	**-**

(i) The carrying amounts of lease liabilities and the movements during the year:

Particulars	As at March 31, 2023	As at March 31, 2022
At the beginning of the year	5.16	10.33
Addition during the year	53.50	-
Accretion of interest	2.25	0.70
Payments	(15.42)	(5.87)
At the end of the year	**45.49**	**5.16**

(ii) The following are the amounts recognised in profit or loss:

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation expense of right-of-use assets	13.48	6.54
Interest expense on lease liabilities	2.25	0.70

(iii) The total amount of cash flows on account of lease liabilities for the year has been disclosed in standalone cash flow statement.

20 OTHER FINANCIAL LIABILITIES

	Current		Non Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Interest Accrued but not due on loans	0.02	0.03	-	-
Capital creditors	7.27	8.86	-	-
Security Deposits	0.89	0.90	3.18	2.38
Employee Related Payables	85.02	58.59	-	-
Accrued Expenses	171.22	158.89	-	-
Other Payables	0.05	-	-	-
Total	**264.47**	**227.27**	**3.18**	**2.38**

21 PROVISIONS

	Current		Non Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits				
Provision for compensated absences	4.48	3.30	20.18	15.66
	4.48	**3.30**	**20.18**	**15.66**

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

22 CURRENT TAX LIABILITES (NET)

	Current	
	As at March 31, 2023	As at March 31, 2022
Provision for income-tax	5.91	-
Total	**5.91**	**-**

23 BORROWINGS

	Current	
	As at March 31, 2023	As at March 31, 2022
Loans Repayable on Demand (Secured)		
Loan from banks	-	53.13
Current maturities of long-term debt (Refer Note: 18)	3.35	3.64
Total	**3.35**	**56.77**

Terms of loan taken

(i) 'Working capital loans are secured by way of first pari passu charge on the current assets by hypothecation of stocks of raw materials, finished and semi finished goods, stores and spares, bills receivable, book debts and all other movable current assets of the Company both present and future, and additionally secured by way of charge on several fixed assets of the Company and Personal Guarantee of Mr. Ashok Kumar Windlass, Mr. Hitesh Windlass and Mr. Manoj Kumar Windlass.

24 TRADE PAYABLE

	As at March 31, 2023	As at March 31, 2022
(a) total outstanding dues of micro enterprises and small enterprises (refer note 39)	33.71	47.82
(b) total outstanding dues for creditors other than micro enterprises and small enterprises	840.11	581.17
Total	**873.82**	**628.99**

24 (i) Classification and aging of Trade payables As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					
	Not due	< 1 year	1-2 years	2-3 years	> 3 years	Total
(i) MSME	33.71	-	-	-	**-**	**33.71**
(ii) Others	602.17	227.30	-	10.64	**-**	**840.11**
(iii) Disputed Dues-MSME	-	-	-	-	**-**	**-**
(iv) Disputed Dues-Others	-	-	-	-	**-**	**-**
Total Payables	**635.88**	**227.30**	**-**	**10.64**	**-**	**873.82**

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

24 (ii) Classification and aging of Trade payables As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					
	Not due	< 1 year	1-2 years	2-3 years	> 3 years	Total
(i) MSME	47.82	-	-	-	-	**47.82**
(ii) Others	476.53	92.69	11.95	-	-	**581.17**
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
Total Payables	**524.35**	**92.69**	**11.95**	**-**	**-**	**628.99**

25 OTHER CURRENT LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Advances from Customers	20.07	7.30
Payable to Statutory Authorities	21.39	7.74
Total	**41.46**	**15.04**

26 REVENUE FROM OPERATIONS

	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from contract with customers		
Sale of Products	4,887.68	4,405.01
Export Sales	198.43	209.35
Sale of services	19.70	19.37
Other Operating Revenues:		
Scrap Sales	2.98	8.81
Export Incentives	6.21	13.10
Other operating Income	15.83	3.66
Total	**5,130.83**	**4,659.30**
Timing of revenue recognition		
Goods transferred at a point in time	5,086.11	4,614.36
Services transferred over the time	19.70	19.37
Total revenue from contract with customers	**5,105.81**	**4,633.73**
Revenue by location of customers		
India	4,907.38	4,424.38
Outside India	198.43	209.35
Total revenue from contract with customers	**5,105.81**	**4,633.73**
Reconciliation of revenue recognised in statement of profit and loss with contracted price		
Revenue as per contracted price	5,105.81	4,633.73
Less: adjustment on account of price variation	-	-
Less: Turnover discount	-	-
	5,105.81	**4,633.73**

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

Performance obligation

Sale of products: Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods. {refer accounting policy 2.13}.

Sales of services: The performance obligation in respect of Software development services and Engineering services is recognised over time, since the customer simultaneously receives and consumes the benefits provided by the Company.{refer accounting policy 2.13}. There is no remaining performance obligation (unsatisfied performance obligation) pertaining to sale of services as at March 31, 2023, March 31, 2022

27 OTHER INCOME

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income on:		
- financial assets measured at amortised cost	1.41	2.15
- fixed Deposit	33.49	40.70
Net Gain on foreign currency transactions and translation	3.82	4.77
Gain on Investments measured at FVTPL*	47.82	18.57
Miscellaneous income	4.35	0.77
Gain on sale of property, plant and equipment	8.76	0.10
Total	**99.65**	**67.06**

* Gain on investment at FVTPL includes actual gain on sale of investment of ₹ 17.25 millions and ₹ 1.33 millions during the year ended March 31, 2023, March 31, 2022 respectively.

28 COST OF MATERIAL CONSUMED

	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw material, Packing material and Consumables		
Inventories at the beginning of the year	389.85	264.79
Add: Purchases	3,414.76	3,200.64
	3,804.61	**3,465.43**
Less: Inventories at the end of year	397.47	389.85
	3,407.14	**3,075.58**
Total	**3,407.14**	**3,075.58**
Opening Stock of Consumables	40.73	15.04
Add: Purchases of Consumables	240.11	147.26
Less: Closing Stock of Consumables	15.42	40.73
Total consumption of consumables	**265.42**	**121.57**
Material Consumed Comprises of:		
Raw Material/Chemical and Packing Material	3,141.72	2,954.01
Consumables	265.42	121.57
Total	**3,407.14**	**3,075.58**

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

29 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the beginning of the year		
Finished Goods	130.89	64.37
Work in Progress	66.35	85.45
Total (A)	**197.24**	**149.82**
Less: Inventories at the end of year		
Finished Goods	170.39	130.89
Work in Progress	179.52	66.35
Total(B)	**349.91**	**197.24**
Total (A-B)	**(152.67)**	**(47.42)**

30 EMPLOYEE BENEFIT EXPENSES

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	656.89	581.81
Gratuity expense (refer note 40)	6.34	5.64
Contribution to provident and other funds (refer note 40)	25.17	24.51
Staff welfare expenses	4.73	3.99
ESOP Expenses	10.08	18.13
Total	**703.21**	**634.08**

31 FINANCE COST

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on		
-term loans and vehicle loans	0.41	7.01
-working capital loans	5.06	5.20
-lease liability	2.25	0.70
-Other borrowing cost	0.14	1.26
Total	**7.86**	**14.17**

32 DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment (refer note 3)	108.18	112.72
Depreciation on right-of-use asset (refer note 5)	13.48	6.54
Amortisation of intangible assets [refer note 6(a)]	1.98	2.21
Total	**123.64**	**121.47**

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

33 OTHER EXPENSES

	For the year ended March 31, 2023	For the year ended March 31, 2022
Power & fuel	129.03	110.10
Repairs		
-Buildings	11.42	19.64
-Machinery	20.64	21.06
-Others	9.23	9.82
Insurance	7.90	9.78
Rates and Taxes	10.86	11.61
Security expenses	13.18	11.58
Traveling Expenses	17.93	9.69
Legal and Professional Fees	28.63	29.76
Auditor Remuneration (refer Note 34)	3.43	3.43
Commission on sales	71.27	49.48
Freight and carriage	44.98	38.94
Advertisement and Publicity	29.75	18.40
Research & Development Expenses (refer note 35)	89.48	65.11
Corporate social responsibility expenses (refer note 37)	8.39	7.41
Donations	0.52	0.41
Lab Testing Expenses	13.49	8.18
Assets written off	0.08	-
Printing and Stationery	9.83	7.38
Recruitment Expenses	1.62	2.00
Balance Written Off	0.54	3.13
Rent*	3.92	4.38
Provision for doubtful debts	22.75	3.48
Calibration Expenses	2.92	2.34
Miscellaneous Expenses	18.94	21.00
Total	**570.73**	**468.11**

* Rent expense related to short term leases. (Also refer note 42)

34 AUDITOR'S REMUNERATION*

	For the year ended March 31, 2023	For the year ended March 31, 2022
Statutory Audit Fees	2.40	2.40
Limited Review Fees	0.75	0.75
Certification Fees	0.28	0.28
Total	**3.43**	**3.43**

*It does not includes amount of ₹ 0.48 million towards buyback certification services (31st March, 2022 : ₹ 3.0 million towards services in relation to IPO) which has not been charged to Statement of Profit & Loss and has been adjusted from Securities Premium in proportion of shares being offered or fresh shares issued.

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

35 RESEARCH AND DEVELOPMENT EXPENSES

	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue expenditure		
Employee benefit expenses	34.86	27.83
Raw & Packing Materials Consumed	54.62	37.28
Total	**89.48**	**65.11**

36 EARNINGS PER SHARE

	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit for the year attributable to shareholders (A)	426.44	385.61
Original number of equity shares	21,794,375	6,411,063
Impact of share split (each share of face value ₹ 10 split into two shares of face value of ₹ 5 each)	-	6,411,063
Impact of bonus issue (allotment of 5,385,293 bonus shares at face value of ₹ 5 each)	-	5,385,293
Impact of fresh issue of Equity shares in IPO	-	3,586,956
Impact of Buy-back of Shares (Buy back of 867,747 shares of face value of ₹ 5 each)	867,747	-
Weighted Average number of Equity Shares post Split, Bonus, Buyback and Fresh issue used as denominator in calculating Basic Earnings Per Share (B)*	21,635,920	20,497,174
Impact of Potetial diluted Equity Shares**	-	-
'Weighted Average number of Equity Shares post Split, Bonus, Buyback and fresh issue used as denominator in calculating Diluted Earnings Per Share (C)*	21,635,920	20,497,174
Basic earnings per share (in ₹) (A/B)	19.71	18.81
Diluted earnings per share (in ₹) (A/C)	19.71	18.81

*The weighted average no. of ordinary equity shares used in computing basic & diluted EPS are after considering the impact of buyback of shares in accordance with requirement of Ind AS 33 Earnings Per Share.

**There are no potential equity shares arising due to ESOP, therefore there will be no impact of potential equity shares.

37 CORPORATE SOCIAL RESPONSIBILITY EXPENSES

	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Amount required to be spent by the Company during the year	8.04	7.40
b) Amount of expenditure incurred	8.39	7.41
c) Shortfall at the end of year	Nil	Nil
d) Total of previous year shortfall	Nil	Nil
e) Reason for Shortfall	N.A.	N.A.

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
f) Nature of CSR Activities (Other than on-going projects)		
Promoting health care including preventinve health care	4.16	7.20
Promoting Education	-	0.21
Animal Welfare & Environmental Sustainability	2.35	-
Skill Development & Promoting Education	1.88	-
g) Details of Related party Transactions	Nil	Nil
Total amount spent during the period/ year	**8.39**	**7.41**

38 SEGMENT INFORMATION

Segments are identified in line with Ind AS-108, "Operating Segment" [specified under the section 133 of the Companies Act 2013 (the Act)] read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act, taking into consideration the internal organisation and management structure as well as differential risk and return of the segment. Based on above, the company has identified "Pharmaceutical" as the only primary reportable segment. The company does not have any geographical segment. Hence no separate disclosures are provided in these standalone financial statements.

39 DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MICRO SMALL AND MEDIUM ENTERPRISE DEVELOPMENT ACT, 2006

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

	As at March 31, 2023	As at March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
- Principal amount due to micro and small enterprises	33.71	47.82
- Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

40 GRATUITY AND OTHER POST EMPLOYMENT BENEFITS

Disclosures pursuant to Ind AS - 19 "Employee Benefits"(notified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rules 2015 (as amended from time to time) and other relevant provision of the Act) are given below :

(i) Defined Contribution Plans

The Company makes payment to statutory funds in accordance with the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employees State Insurance Act, 1948 which are defined contribution plans. The Company's contribution paid/payable under the schemes is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The amount recognised in Statement of Profit and loss is ₹ 25.17 millions (March 31, 2022: ₹ 24.51 millions).

(ii) Defined Benefit Plan - Gratuity

a. The principal actuarial assumptions used for determining liability for gratuity are as follows:

	As at March 31, 2023	As at March 31, 2022
Economic assumptions:		
Discount rate	7.36%	6.81%
Expected rate of return on plan asset	6.81%	6.41%
Salary escalation rate	6.00%	4.50% for first year, 5.00% for second year & 5.25% thereafter
Demographic assumptions:		
Retirement age	58 years	58 years
Mortality rate	100% of IALM (2012-14)	100% of IALM (2012-14)
Withdrawal rate	12.00%	11.25% to 12%

*The discount rate is based on the prevailing market yields of 6 year government bond as at the balance sheet date for the estimated term of the obligations.

**The estimates of future salary increase considered in actuarial variation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

	As at March 31, 2023	As at March 31, 2022
I Change in present value of defined benefit during the year		
1 Present value of defined benefit at the beginning of the year	37.35	29.75
2 Service Cost	6.57	5.69
3 Interest Cost	2.54	1.91

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

			As at March 31, 2023	As at March 31, 2022
	4	Net Actuarial (Gain)/Loss		
		Actuarial changes arising from changes in demographic assumptions	(0.08)	-
		Actuarial changes arising from changes in Financial assumptions	0.83	(0.79)
		Actuarial changes arising from changes in experience assumptions	1.41	2.97
	5	Benefits Paid	(1.83)	(2.18)
	6	Liability Transfer In/(Out)	-	-
	7	Present Value of obligation as at year-end	46.79	37.35
II	**Change in Fair Value of Plan Assets during the year**			
	1	Plan assets at the beginning of the year	40.76	30.55
	2	Expected return on plan assets	2.78	1.96
	3	Actuarial Gain/(Loss) on plan assets	0.08	(0.24)
	4	Employer's contribution	6.57	10.67
	5	Benefits paid	(1.83)	(2.18)
	6	Asset Transfer In/(Out)	-	-
	7	Plan assets at the end of the year	48.35	40.76
III	**Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets**			
	1	Present Value of obligation as at year-end	46.79	37.35
	2	Fair value of plan assets at year -end	48.35	40.76
	3	Funded status {Surplus/(Deficit)}	1.56	3.41
	4	Net Asset/(Liability)	1.56	3.41
IV	**Expenses recognised in the Statement of Profit and Loss**			
	1	Current Service Cost	6.57	5.69
	2	Net Interest Cost	(0.23)	(0.05)
	3	Total Expense	6.34	5.64
V	**Other Comprehensive Income**			
	1	Actuarial gain(Loss) on Liabilities	(2.17)	(2.17)
	2	Actuarial gain(Loss) on Assets	0.08	(0.24)
	3	Closing Amount recognised in OCI outside PL Account	(2.09)	(2.41)
VI	**Bifurcation of PBO at the end of the year / period**			
	1	Current Liability	8.90	6.86
	2	Non-Current Liability	37.89	30.49

VII Risk exposure

Through its defined benefit obligation, the Company is exposed to a number of risks, the most significant of which are detailed below:

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

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

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

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

Mortality & disability - Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

VIII Investment Details

The management of 100% of the gratuity funds is entrusted with the Life Insurance Corporation of India.

IX The sensitivity analysis of the defined benefit obligation based on changes in significant assumptions is provided in following table:

	As at March 31, 2023	As at March 31, 2022
A. Impact of change in discount rate-		
Present value of obligation at the end of the year	46.79	37.35
Impact due to increase of 0.50%	(1.16)	(0.95)
Impact due to decrease of 0.50%	1.22	1.00
B. Impact of change in future salary-		
Present value of obligation at the end of the year	46.79	37.35
Impact due to increase of 1.00%	2.44	2.04
Impact due to decrease of 1.00%	(2.26)	(1.86)
C. Impact of change in withdrawal rate-		
Present value of obligation at the end of the year	46.79	37.35
Impact due to increase of 5.00%	(0.08)	(0.03)
Impact due to decrease of 5.00%	(0.46)	(0.44)

X Expected benefit payments

	As at March 31, 2023	As at March 31, 2022
Year 1	9.18	7.07
Year 2	4.63	3.40
Year 3	5.11	4.17
Year 4	5.23	4.01
Year 5	5.00	3.98
After 5th year	45.81	35.29

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

41 RELATED PARTY DISCLOSURES

A. Names of related parties and nature of relationship :

a) Related parties where control exists:

S.No.	Relationship	Name
(i)	Subsidiary Company	Windlas Inc. (till October 29, 2018) (w.e.f. April 16, 2020)
(ii)	Joint Venture	US Pharma Windlas LLC (till October 29, 2018) (w.e.f. April 16, 2020)

b) Key managerial personnel:

S.No.	Relationship	Name
(i)	Whole Time Director	Mr. Ashok Kumar Windlass
(ii)	Managing Director	Mr. Hitesh Windlass
(iii)	Joint Managing Director	Mr. Manoj Kumar Windlass
(iv)	Executive Director	Mr. Pawan Kumar Sharma
(v)	Non Executive Director	Ms. Prachi Jain Windlass
(vi)	Chief Executive Officer (w.e.f. February 8, 2023) / Chief Financial Officer	Ms. Komal Gupta
(vii)	Company Secretary	Mr.Ananta Narayan Panda
(viii)	Independent Director	Mr. Gaurav Gulati
(ix)	Independent Director	Mr.Vivek Dhariwal
(x)	Independent Director	Mr. Srinivasan Venkataraman

c) Relative of Key Managerial Personnel with whom transaction have taken place:

S.No.	Relationship	Name
(i)	Wife of Mr. Ashok Kumar Windlass	Mrs. Vimla Windlass

d) Companies with Interest by Key Managerial Personnel:

S.No.	Relationship	Name
(i)	Interest by Key Managerial Personnel	Wintech Eco Solutions Private Limited
(ii)	Interest by Key Managerial Personnel	AKW WBL Family Private Trust

e) Transactions with related parties are as follows:

S. No.	Nature of transaction	Year ended	Subsidiary	Associate	Key Managerial Personnel	Total
(i)	**Rent & Power cost**					
	Mr. Ashok Kumar Windlass	March 31, 2023	-	-	1.96	1.96
	Mr. Hitesh Windlass	March 31, 2023	-	-	1.96	1.96
	Mr. Manoj Kumar Windlass	March 31, 2023	-	-	1.96	1.96
	Mr. Ashok Kumar Windlass	March 31, 2022	-	-	1.96	1.96
	Mr. Hitesh Windlass	March 31, 2022	-	-	1.96	1.96
	Mr. Manoj Kumar Windlass	March 31, 2022	-	-	1.96	1.96

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

S. No.	Nature of transaction	Year ended	Subsidiary	Associate	Key Managerial Personnel	Total
(ii)	**Salary, allowances and bonus**					
	Mr. Ashok Kumar Windlass	March 31, 2023	-	-	15.60	15.60
	Mr. Hitesh Windlass	March 31, 2023	-	-	8.70	8.70
	Mr. Manoj Kumar Windlass	March 31, 2023	-	-	8.70	8.70
	Mr. Pawan Kumar Sharma	March 31, 2023	-	-	4.61	4.61
	Ms. Komal Gupta	March 31, 2023	-	-	9.42	9.42
	Mr. Ananta Narayan Panda	March 31, 2023	-	-	2.25	2.25
	Mr. Ashok Kumar Windlass	March 31, 2022	-	-	15.60	15.60
	Mr. Hitesh Windlass	March 31, 2022	-	-	8.69	8.69
	Mr. Manoj Kumar Windlass	March 31, 2022	-	-	8.59	8.59
	Mr. Pawan Kumar Sharma	March 31, 2022	-	-	4.07	4.07
	Ms. Komal Gupta	March 31, 2022			8.52	8.52
	Mr.Ananta Narayan Panda	March 31, 2022	-	-	1.92	1.92
(iii)	**Commission on Profit**					
	Mr. Hitesh Windlass	March 31, 2023	-	-	6.00	6.00
	Mr. Manoj Kumar Windlass	March 31, 2023	-	-	6.00	6.00
	Mr. Hitesh Windlass	March 31, 2022	-	-	-	-
	Mr. Manoj Kumar Windlass	March 31, 2022	-	-	-	-
(iv)	**Security Deposit refund**					
	Mr. Ashok Kumar Windlass	March 31, 2023	-	-	1.77	1.77
	Mr. Hitesh Windlass	March 31, 2023	-	-	1.77	1.77
	Mr. Manoj Kumar Windlass	March 31, 2023	-	-	1.77	1.77
	Mr. Ashok Kumar Windlass	March 31, 2022	-	-	1.17	1.17
	Mr. Hitesh Windlass	March 31, 2022	-	-	1.17	1.17
	Mr. Manoj Kumar Windlass	March 31, 2022	-	-	1.17	1.17
(v)	**Dividend Paid**					
	Mr. Ashok Windlass	March 31, 2023	-	-	15.40	15.40
	Mr. Hitesh Windlass	March 31, 2023	-	-	0.00	0.00
	Mr. Manoj Windlass	March 31, 2023	-	-	0.00	0.00
	Mrs. Prachi Jain Windlass	March 31, 2023	-	-	0.00	0.00
	Mrs. Vimla Windlass	March 31, 2023			0.99	0.99
	AKW WBL Family Private Trust	March 31, 2023	-	-	29.33	29.33
	Mr. Ashok Windlass	March 31, 2022	-	-	-	-
	Mr. Hitesh Windlass	March 31, 2022	-	-	-	-
	Mr. Manoj Windlass	March 31, 2022	-	-	-	-
	Mrs.Prachi Jain Windlass	March 31, 2022	-	-	-	-
	Mrs. Vimla Windlass	March 31, 2022	-	-	-	-
	AKW WBL Family Private Trust	March 31, 2022	-	-	-	-
(vi)	**Director Sitting Fees**					
	Mr. Gaurav Gulati	March 31, 2023	-	-	0.55	0.55
	Mr.Vivek Dhariwal	March 31, 2023	-	-	0.31	0.31
	Mr. Srinivasan Venkataraman	March 31, 2023	-	-	0.41	0.41
	Mr. Gaurav Gulati	March 31, 2022	-	-	0.60	0.60
	Mr.Vivek Dhariwal	March 31, 2022	-	-	0.42	0.42
	Mr. Srinivasan Venkataraman	March 31, 2022	-	-	0.53	0.53

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

f) Balances outstanding are as follows:

S. No.	Nature of transaction	Year ended	Subsidiary	Associate	Key Managerial Personnel	Total
(i)	**Investment in equity share capital**					
	Windlas Inc.	March 31, 2023	0.34	-	-	0.34
	Windlas Inc.	March 31, 2022	0.34	-	-	0.34
(ii)	**Security deposit**					
	Mr. Ashok Kumar Windlass	March 31, 2023	-	-	3.73	3.73
	Mr. Hitesh Windlass	March 31, 2023	-	-	3.73	3.73
	Mr. Manoj Kumar Windlass	March 31, 2023	-	-	3.73	3.73
	Mr. Ashok Kumar Windlass	March 31, 2022	-	-	5.50	5.50
	Mr. Hitesh Windlass	March 31, 2022	-	-	5.50	5.50
	Mr. Manoj Kumar Windlass	March 31, 2022	-	-	5.50	5.50
(iii)	**Salary Payable**					
	Mr. Ashok Kumar Windlass	March 31, 2023	-	-	1.30	1.30
	Mr. Hitesh Windlass	March 31, 2023	-	-	0.73	0.73
	Mr. Manoj Kumar Windlass	March 31, 2023	-	-	0.73	0.73
	Mr. Pawan Kumar Sharma	March 31, 2023	-	-	0.38	0.38
	Ms. Komal Gupta	March 31, 2023	-	-	0.78	0.78
	Mr. Ananta Narayan Panda	March 31, 2023	-	-	0.19	0.19
	Mr. Ashok Kumar Windlass	March 31, 2022	-	-	1.30	1.30
	Mr. Hitesh Windlass	March 31, 2022	-	-	0.72	0.72
	Mr. Manoj Kumar Windlass	March 31, 2022	-	-	0.72	0.72
	Mr. Pawan Kumar Sharma	March 31, 2022	-	-	0.34	0.34
	Ms. Komal Gupta	March 31, 2022	-	-	0.56	0.56
	Mr. Ananta Narayan Panda	March 31, 2022	-	-	0.15	0.15
(iv)	**Rent Payable**	-				
	Mr. Ashok Kumar Windlass	March 31, 2023	-	-	0.16	0.16
	Mr. Hitesh Windlass	March 31, 2023	-	-	0.16	0.16
	Mr. Manoj Kumar Windlass	March 31, 2023	-	-	0.16	0.16
	Mr. Ashok Kumar Windlass	March 31, 2022	-	-	0.16	0.16
	Mr. Hitesh Windlass	March 31, 2022	-	-	0.16	0.16
	Mr. Manoj Kumar Windlass	March 31, 2022	-	-	0.16	0.16
(v)	**Commission on Profit Payable**					
	Mr. Hitesh Windlass	March 31, 2023	-	-	6.00	6.00
	Mr. Manoj Kumar Windlass	March 31, 2023	-	-	6.00	6.00
	Mr. Hitesh Windlass	March 31, 2022	-	-	-	-
	Mr. Manoj Kumar Windlass	March 31, 2022	-	-	-	-

Note:

(i) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

42 SHORT TERM LEASES

Short term leases are mainly in the nature of premises and godowns and are renewable / cancellable at the option of either of the party. The aggregate amount of short term lease payment recognised in the statement of Profit and Loss account is March 31, 2023: ₹ 3.92 millions, March 31, 2022: ₹ 4.38 millions.

43 FAIR VALUE MEASUREMENT

A. Financial instruments by category

	March 31, 2023			March 31, 2022		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
(a) Investment	1,065.14	-	0.34	648.24	-	0.34
(b) Cash and cash equivalents	-	-	36.85	-	-	5.52
(c) Bank balances Other then Cash and cash equivalents	-	-	217.68	-	-	1,132.53
(d) Trade Receivables	-	-	1,168.60	-	-	1,107.72
(e) Other financial assets	-	-	91.05	-	-	93.33
Total	**1,065.14**	**-**	**1,514.52**	**648.24**	**-**	**2,339.44**
Financial liabilities						
(a) Borrowings	-	-	4.44	-	-	61.21
(b) Lease liability	-	-	45.49	-	-	5.16
(c) Trade payables	-	-	873.82	-	-	628.99
(d) Other financial liabilities	-	-	267.65	-	-	229.65
Total	**-**	**-**	**1,191.40**	**-**	**-**	**925.01**

B. Fair Value Hierarchy

Assets and liabilities measured at amortised cost for which fair value are disclosed as at March 31, 2023

	March 31, 2023				
	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
(a) Investment	9	1,065.14	-	0.34	1,065.48
(b) Cash and cash equivalents	14	-	-	36.85	36.85
(c) Bank balances Other then Cash and cash equivalents	15	-	-	217.68	217.68
(d) Trade Receivables	13			1,168.60	1,168.60
(e) Other financial assets	10	-	-	91.05	91.05
Total		**1,065.14**	**-**	**1,514.52**	**2,579.66**
Financial liabilities					
(a) Borrowings	18	-	-	4.44	4.44
(b) Lease liability	19	-	-	45.49	45.49
(c) Trade payables	24	-	-	873.82	873.82
(d) Other financial liabilities	20			267.65	267.65
Total		**-**	**-**	**1,191.40**	**1,191.40**

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

Assets and liabilities measured at amortised cost for which fair value are disclosed as at March 31, 2022

	March 31, 2022				
	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
(a) Investment	9	648.24	-	0.34	648.58
(b) Cash and cash equivalents	14	-	-	5.52	5.52
(c) Bank balances Other then Cash and cash equivalents	15	-	-	1,132.53	1,132.53
(d) Trade Receivables	13	-	-	1,107.72	1,107.72
(e) Other financial assets	10	-	-	93.33	93.33
Total		**648.24**	**-**	**2,339.44**	**2,987.68**
Financial liabilities					
(a) Borrowings	18	-	-	61.21	61.21
(b) Lease liability	19	-	-	5.16	5.16
(c) Trade payables	24	-	-	628.99	628.99
(d) Other financial liabilities	20			229.65	229.65
Total		**-**	**-**	**925.01**	**925.01**

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

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

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

During the year, there were no transfers between Level 1 and Level 2, and no transfers into and out of Level 3 fair value measurements.

The Group’s policy is to recognise transfers into and transfer out of fair value hierarchy levels as at the end of the reporting period.

C. Accounting classification and fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company’s financial instruments.

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

	Carrying value		Fair value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Financial assets				
(a) Investment	1,065.48	648.58	1,065.48	648.58
(b) Cash and cash equivalents	36.85	5.52	36.85	5.52
(c) Bank balances Other then Cash and cash equivalents	217.68	1,132.53	217.68	1,132.53
(d) Trade Receivables	1,168.60	1,107.72	1,168.60	1,107.72
(e) Other financial assets	91.05	93.33	91.05	93.33
Total	**2,579.66**	**2,987.68**	**2,579.66**	**2,987.68**
Financial liabilities				
(a) Borrowings	4.44	61.21	4.44	61.21
(b) Lease liability	45.49	5.16	45.49	5.16
(c) Trade payables	873.82	628.99	873.82	628.99
(d) Other financial liabilities	267.65	229.65	267.65	229.65
Total	**1,191.40**	**925.01**	**1,191.40**	**925.01**

The carrying amount of financial instruments such as cash and cash equivalents, other bank balances, trade payables, and other current financial assets and liabilities are considered to be same as their fair value due to their short term nature. The carrying amount of borrowings are considered to be same as their fair value since it comprises the working capital loan and bank overdraft which are short term in nature.

D. Valuation technique used to determine fair value

The fair value of security deposits were calculated based on discounted cash flows using current lending rate. The fair value of other financial instruments viz. cash and cash equivalents, borrowings, trade payables and other financial assets and liabilities are considered to be same as their carrying value due to their short term nature.

E. Valuation process

A team in the finance department of the Company performs the valuations of financial assets and liabilities required for financial reporting purposes including level 3 fair values. It directly reports to the Chief Financial Officer (CFO). Discussions of valuation processes and results are held between the CFO and valuation team on periodic basis in line with the Company's reporting period for reporting to holding company.

The level 3 input for security deposits is derived at using the current lending rate of Company's borrowings.

Changes in level 2 and level 3 fair values, if any, are analysed at the end of the reporting period and reasons for such movements are provided by the valuation team.

44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables etc. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents, other bank balances, trade receivables, security deposits, etc. that derive directly from its operations.

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

The Company is exposed to credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The management is responsible for formulating an appropriate financial risk governance framework for the Company and for periodically reviewing the same. The senior management ensures that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below:

Risk	Exposure arising from	Measurement	Management
Market risk-interest rate	Borrowings	Sensitivity analysis	Mix of borrowings with fixed and floating interest rates
Market risk-foreign exchange	Recognised financial liabilities not denominated in INR	Sensitivity analysis	Foreign currency exposure is unhedged
Credit risk	Financial assets measured at amortised costs	Ageing analysis	Credit limits
Liquidity risk	Borrowings and other liabilities	Cash flow forecasting	Availability of committed credit lines and borrowing facilities

a. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises two types of risk: foreign currency risk and interest rate risk. Financial instruments affected by market risks include loans and borrowings, deposits and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at reporting date. The analysis excludes the impact of movement in market variables on the carrying values of gratuity and other post- retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss items and equity is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2023, March 31, 2022.

I. Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

(i) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹ 96.61 in millions is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Financial liabilities		
Import Creditors		
USD	2.94	-
Advance from customer		
USD	0.55	-
Total	**3.49**	**-**

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets		
Advance to Creditor		
USD	24.61	-
CHF	1.98	-
Export Debtors		
EURO	0.07	
USD	66.20	45.29
EEFC Account		
USD	0.25	1.39
Total	**93.11**	**46.67**

(ii) Sensitivity analysis

The following table demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant:

	Impact on profit or loss	
	March 31, 2023	March 31, 2022
USD sensitivity		
INR/USD- increase by 5%	4.38	2.33
INR/USD- decrease by 5%	(4.38)	(2.33)
EURO sensitivity		
INR/EURO- increase by 5%	0.00	-
INR/EURO- decrease by 5%	(0.00)	-
CHF sensitivity		
INR/CHF- increase by 5%	0.10	-
INR/CHF- decrease by 5%	(0.10)	-

II. Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company does not enter into any interest rate swaps.

b. Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, security deposits and other financial instruments.

Credit risk management

Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

A: Low credit risk

B: Moderate credit risk

C: High credit risk

The Company provides for expected credit loss based on the following:

Asset company	Description	Provision for expected credit loss*
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	12 month expected credit loss/ life time expected credit loss
Moderate credit risk	Trade receivables, loans and other financial assets	12 month expected credit loss/ life time expected credit loss
High credit risk	Trade receivables, loans and other financial assets	Life time expected credit loss or fully provided for

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

* Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Trade receivables

Credit risk is managed by each business unit subject to the company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are companyed into homogeneous companys and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company does not hold collateral as security. The company's credit period generally ranges from 30-60 days or as per agreed contractual terms and conditions.

The ageing of trade receivables is given below:

	March 31, 2023	March 31, 2022
Neither past due nor impaired	546.32	599.80
Past due but not impaired		
-upto 90 days	582.85	441.85
-90-180 days	31.77	54.11
-More than 180 days	41.58	23.14
	1,202.52	**1,118.89**
Less: Allowance for expected credit losses	(33.92)	(11.17)
Total	**1,168.60**	**1,107.72**

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

Financial instruments and other deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at March 31, 2023, March 31, 2022 is the carrying amounts.

c. Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective at all times is to maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short- term bank deposits and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be low.

Contractual maturities of financial liabilities

	Less than 1 Year	1-5 Years	Above 5 years	Total
Non-derivatives				
As on March 31, 2023				
Borrowings	3.35	1.09	-	**4.44**
Trade and other payables	873.82	-	-	**873.82**
Lease liabilities	15.32	30.17	-	**45.49**
Other financial liabilities	264.47	3.18	-	**267.65**
Total Non-derivative liabilities	**1,156.96**	**34.44**	**-**	**1,191.40**
As on March 31, 2022				
Borrowings	56.77	4.44	-	**61.21**
Trade and other payables	628.99	-	-	**628.99**
Lease liabilities	5.16	0.00	-	**5.16**
Other financial liabilities	227.27	2.38	-	**229.65**
Total Non-derivative liabilities	**918.19**	**6.82**	**-**	**925.01**

Capital management

The Company's objective when managing capital are to:

- safeguard it's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.- In order to maintain capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants consistent with others in the industry.

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company includes within net debt the loans and borrowing less cash and cash equivalents and Bank Balance other than cash and cash equivalents. Capital includes equity attributable to the owners of the Company.

	March 31, 2023	March 31, 2022
Borrowings (long-term and short term, including current maturities)- (Refer Note 18 & 23)	4.44	61.21
Less : Cash and cash equivalents and Bank Balance other than cash and cash euivalents- (Refer Note 14 & 15)	254.53	1,138.05
Net Debt (a)	**(250.09)**	**(1,076.84)**
Equity- (Refer Note 16)	104.63	108.97
Other equity- (Refer Note 17)	3,922.02	3,842.28
Total Equity (b)	**4,026.65**	**3,951.25**
Net debt to equity ratio (c=a/b)	**NA***	**NA***

* This ratio is not relevant for the current year as the cash and cash equivalents and bank & balances other the cash and cash equivalents exceeds borrowings.

45. DETAILS OF UTILILIZATION OF IPO MONEY

The Company has completed the Initial Public Offer ("IPO") of 8,729,023 Equity Shares of the face value of ₹ 5/- each at an issue price of ₹ 460/- per Equity Share, comprising offer for sale of 5,142,067 shares by Selling Shareholders and fresh issue of 3,586,956 shares. The Equity Shares of the Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on August 17, 2021.

The utilisation of the net IPO proceeds is summarised below:

Objects of the issue	Amount as per Prospectus	Revised Amt	Utilisation upto March 31, 2023	Un-Utilised Amount as at March 31, 2023
Capital expenditure towards expansion of manufacturing facility	500.00	500.00	500.00	-
To meet working capital requirement	475.62	475.62	475.62	-
Repayment/ Prepayment of certain of our borrrowings	200.00	200.00	200.00	-
General corporate purposes	346.03	355.10	355.10	-
Total	**1,521.65**	**1,530.72**	**1,530.72**	**-**

The total offer expenses are ₹ 247.26 million which are proportionately allocated between the selling shareholders and the Company as per respective offer size. The Company's share of these expenses is ₹ 101.96 millions which has been adjusted against securities premium.

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

46. BUYBACK OF SHARES

The Board of Directors of the company in their meeting held on November 08, 2022, has decided for Buy-back of Equity shares of Face Value ₹ 5 each for an amount not exceeding ₹ 250,000,000/- at a price not exceeding ₹ 325/- (Rupees Three Hundred and Twenty Five Only) per equity share ("Maximum Buy-back Price") payable in cash from the equity shareholders/ beneficial owners of the equity shares of the Company other than the Promoters, members of Promoter Group and persons in control of the Company ("Buyback Offer") from Open Market through Stock Exchange Mechanism in terms of the provisions of Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 ("Buyback Regulations").

The company had based on the above approval bought back 867,747 number of Equity share having face value of ₹ 5 each for an amount ₹ 217,966,267 at the average price of ₹ 251.19 from the open market till March 31, 2023.

The Company, completed the Buyback on May 03, 2023 by purchase of 995,800 equity shares aggregating to ₹ 250,039,654.15/- (excluding Transaction Costs) from the equity shareholders of the Company (other than the promoters, promoter group and persons in control of the Company) via the open market route. The amount utilised towards the Buyback exceeded by ₹ 39,654.15/- due to reasons beyond control, which is 0.0159% of the amount earmarked for the Buyback.The board has approved the total amount of buyback of ₹ 250,039,654.15/-.

47 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

i. Contingent Liabilities

During the FY 2008-09 to FY 2012-13, the Company has deposited state excise duty under protest ₹ 25.30 million for removal of goods (cough syrup) containing codeine phosphate from excise bonded warehouse. The Honorable High Court of Uttarakhand had passed an order in favour of Company not to charge excise duty on cough syrup containing codeine phosphate less than prescribed limits prospectively and not to refund the excise duty under protest. The Company has filed an application for prayer with Honorable High Court of Uttarakhand for refund of excise duty. The concerned state excise department of Uttarakhand has submitted their reply with Honorable High Court on hearing. Further, the Company has submitted reply along with required documents. Hearing is pending with Honorable High Court which is delayed due to COVID 19. The management is of the opinion that the Company will receive the refund and has also taken an opinion from expert legal consultant for same who has confirmed management's assessment.

ii. Capital Commitments

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for*	141.12	32.51

* Capital commitment for the year ended March 31, 2023 is related to Injectable plant, the contract of the same will be executed in the next few months

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

48 RATIO ANALYSIS:

Particulars	As at March 31, 2023	As at March 31, 2022	Calculation base	Description of numerator & denominator	Variance	Remarks
Current Ratio	2.92	4.07	Current Assets/ Current Liabilities	All Current assets and All Current Liabilities	-28%	Decrease due to increase in Trade Payable Balance as there are more purchase in the last Quarter of FY 2022-23
Debt Equity	0.00	0.02	Total Debt / Equity	Total Debt = Long Term + Short Term Debt Equity = Equity share capital + Other Equity	-93%	Improvise due to Payment of Outstanding Debt in the FY 2022-23.
Debt Service Coverage Ratio	22.60	1.92	Earnings available for debt service / (Debt Repayment + Interest)	Earnings available for debt service = PAT+Finance Cost+Depreciation-Net gain or Loss on assets Debt Repayment = Interest and lease payments+Principal repayments Interest = Finance Cost	1077%	There is significant re-payment of Debt amount in the FY 2021-22 which improvise Ratio for FY 2022-23
Return on Equity Ratio	10.69%	12.98%	Return / Equity	Return = PAT Equity = Average of Equity share capital & Other Equity	-18%	Reduced due to increase in Average Equity share capital, even though Profit after Tax for the FY 2022-23 is higher as compared to FY 2021-22.
Inventory Turnover Ratio	4.88	6.05	COGS / Inventory	COGS = Cost of Material consumed + Change in Inventory Inventory = Average Inventory	-19%	Decreased, due to purchase of more inventory at the year ended 31st March 2023 to meet upcoming demand
Trade Recievable Turnover Ratio	4.51	4.90	Turnover / Trade Receivable	Turnover = Revenue from operations Trade Receivable = Average Trade receivable	-8.00%	
Trade Payable Turnover Ratio	4.54	6.22	Turnover / Trade Payable	Turnover = Purchase Trade payable = Average Trade payable	-27.00%	Decrease due to increase in Trade Payable Balance as there are more purchase in the last Q4 of FY 2022-23
Net Capital Turnover ratio	2.21	1.62	Turnover / Net Capital	Turnover = Revenue from operations Net Capital = Current Assets - Current Liabilities	36.31%	Increase due to high sale in FY 2022-23 and increase in the Trade payable balance in FY 2022-23
Net Profit Ratio	8.31%	8.28%	Net Profit / Turnover	Net Profit = Profit after tax Turnover = Revenue from operations	0.42%	NA
Return on capital employed	14.42%	11.89%	Return / Capital Employed	Return = PBT+Finance cost Capital Employed = Total Debt (Long Term + Short Term borrowings) + Equity (Equity share capital + Other Equity) + Deferred tax liability - Deferred tax asset	21.32%	Increase due to high Profit for the current year 2022-23 as compared to last year 2021-22
Return on Investment	5.21%	5.19%	Return / Investment	Return = Interest income on fixed deposits + Gain on Mutual Funds Investment = Non Current Investment + Current Investment + Fixed deposits	0.31%	NA

NOTES to Standalone Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

49 OTHER STATUTORY INFORMATION

i. The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

ii. The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iii. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year

iv. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

   a. 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

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

v. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

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

   b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

vi. The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).

vii. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

viii. The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

ix. The company has not granted any loans or advances in the nature of loans either repayable on demand.

50 SIGNIFICANT EVENTS AFTER THE REPORTING DATE

There were no significant adjusting events that occurred subsequent to the reporting date.

As per our report of even date

For SS Kothari Mehta & Company
Chartered Accountants
Firm Registration Number - 000756N

Vijay Kumar
Partner
Membership No. - 092671
Place: New Delhi
Date: May 05, 2023

For and on behalf of the board of directors of Windlas Biotech Limited
(formerly known as Windlas Biotech Private Limited)

Ashok Kumar Windlass
Whole Time Director
DIN: 00011451
Place: Dehradun
Date: May 05, 2023

Hitesh Windlass
Managing Director
DIN: 02030941
Place: Gurgaon
Date: May 05, 2023

Manoj Kumar Windlass
Joint Managing Director
DIN: 00221671
Place: Dehradun
Date: May 05, 2023

Komal Gupta
CEO & CFO
Place: Gurgaon
Date: May 05, 2023

Ananta Narayan Panda
Company Secretary
Place: Gurgaon
Date: May 05, 2023

windlas

Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WINDLAS BIOTECH LIMITED (formerly known As Windlas Biotech Private Limited)

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying Consolidated Financial Statements of Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited) (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its joint venture, comprising of the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss, (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity for the year then ended and notes to the Consolidated Financial Statements, including a summary of significant accounting and other explanatory information (hereinafter referred to as "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 reports of other auditor on separate financial statements of the subsidiary and based on unaudited financial statements certified by the management as referred in 'other matters paragraph', 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 accounting principles generally accepted in India, of their Consolidated state of affairs of the Group and its joint venture as at March 31, 2023, of Consolidated profit (including Other Comprehensive Income), Consolidated changes in equity and its 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 Act. Our responsibilities under those SAs are further described in the "Auditor's responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group and its joint venture 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 Consolidated 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 obtained by us and the audit evidence obtained by other auditor in terms of their reports referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

KEY AUDIT MATTERS:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue Recognition:** For the year ended March 31, 2023, the Group and its joint venture has recognized revenue from contracts with customers amounting to ₹ 5,105.81 million. Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.	**Our audit procedures included the following:** • Understanding the policies and procedures applied to revenue recognition, as well as compliance thereof, including an analysis of the effectiveness of controls related to revenue recognition processes employed by the Group and its Joint Venture.

Sr. No.	Key Audit Matter	Auditor's Response
	Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. The risk is, therefore, that revenue may not be recognized in the correct period or that revenue and associated profit is misstated. Refer to Accounting Policies Note 2.13 and Note No. 26 of the Consolidated Financial Statements.	• On sample basis, examining supporting documents for the sales transaction occurring during the year and near the end of the accounting period including the credit notes issued after period end to verify the occurrence and accuracy of revenue, whether revenue recording was consistent with the conditions, and whether it was in compliance with the Group and its Joint Venture's Policy. • Performed analytical procedure to identify the unusual trends and also tested journal entries recognized in revenue focusing on unusual or irregular transactions.

Information Other than the Consolidated 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 comprise the information included in the Annual Report but does not include the Consolidated Financial Statements, standalone financial statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we will not express any form of assurance or conclusion thereon.

In connection with our audit of the Consolidated 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 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 and based on the audit report of other auditor, 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

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance, (including other comprehensive income), and Consolidated Cash Flows and Consolidated Statement of Changes in Equity of the Group and its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group and its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its joint venture 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 Consolidated 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 Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the Companies included in the Group and its joint venture are responsible for assessing the ability of the Group and its joint venture 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 and its joint venture 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 and its joint venture are also responsible for overseeing the financial reporting process of the Group and its joint venture.

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 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 Consolidated Financial statements.

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

- 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and its joint venture'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 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 and its joint venture to cease to continue as a going concern.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture 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 entity included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated 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 Consolidated Financial statements.

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.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated 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

a. We did not audit the financial statements of one subsidiary company incorporated outside India, whose financial statements reflected total assets of ₹ 0.35 million as at March 31, 2023, total revenue (including other income) of ₹ Nil, total comprehensive income (comprising of profit/ (loss) and other comprehensive income) of ₹ (-) 0.45 millions & net cash outflows of ₹ 0.17 million for the year ended on that date, as considered in the Consolidated Financial statements. These financial statements have been audited by the other auditor whose report has been furnished to us by the board of directors and our opinion on the Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiary is based solely on the report of other auditor.

b. The Consolidated Financial statements includes Company's share of net profit after tax of ₹ Nil and total comprehensive income of ₹ Nil millions for the year ended March 31, 2023, as considered in the Consolidated Financial statements in respect of one joint venture. These financial statements are unaudited and have been furnished to us by the Board of Directors and our opinion on the financial statements, to the extent they have been derived from such financial statements is based solely on the such unaudited financial statements furnished by the Board of Directors. 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 and its Joint Venture.

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 Financial Statements certified by the Board of directors.

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "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, the financial statements of the companies included in consolidated financial statements are unaudited/ CARO is not applicable. Therefore, this clause is not applicable to the company.

2. As required by Section 143(3) of the Act, based on our audit and on consideration of the other financial information of subsidiary company & joint venture as referred to in Other Matters paragraph, 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 aforesaid 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 report of the other auditor.

   c) The Consolidated Balance Sheet, the

Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity 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 aforesaid 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 Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company, none of the directors of the Group and its subsidiary company, is disqualified as on 31 March 2023 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 reference to Consolidated Financial statements of the Holding Company 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(16) 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 Company 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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Financial statements disclose the impact of pending litigations as at March 31, 2023 on its financial position of the Group and its joint venture – Refer Note 48 to the Consolidated Financial statements.

ii. The Group and its joint venture has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts. The Group and its joint venture did not have long term derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

iv. (a) The Management of the Holding Company has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), 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.

(b) The Management of the Holding Company has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), 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.

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

v. According to the information and explanations given to us, the final dividend proposed in the previous year, declared and paid by the Group during the year is in accordance with Section 123 of the Act, as applicable. The Group has not declared or paid any interim dividend during the year. The Board of Directors of the Group and its Joint Venture have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Group with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **S S KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Reg. No. 000756N

Vijay Kumar
Partner
Membership No. 092671
UDIN: 23092671BGSIBF2169

Place: New Delhi
Date: May 05, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

"Annexure A" to the Independent Auditor's Report of even date on the Consolidated Financial statements of Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited)

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

In conjunction with our audit of the Consolidated Financial statements of Windlas Biotech Limited (Formerly Known as Windlas Biotech Private Limited) as of and for the year ended March 31, 2023, we have audited the internal financial controls reference to Consolidated Financial statements of Windlas Biotech Limited (Formerly Known as Windlas Biotech Private Limited) (hereinafter referred to as the "Holding Company") as of that date.

The audit of the internal financial controls with reference to Consolidated Financial statements is applicable only to the Holding Company.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control reference to Consolidated Financial statements 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 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls reference to Consolidated Financial statements 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 reference to Consolidated Financial statements 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 reference to Consolidated Financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial statements included obtaining an understanding of internal financial controls reference to 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 judgement, 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 Holding Company's internal financial controls system reference to Consolidated Financial statements.

Meaning of Internal Financial Controls reference to Consolidated Financial statements

A company's internal financial control reference to Consolidated 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 reference to Consolidated Financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls reference to Consolidated Financial statements

Because of the inherent limitations of internal financial controls reference to 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 reference to Consolidated Financial statements to future periods are subject to the risk that the internal financial control reference to 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 controls system reference to Consolidated Financial statements and such internal financial controls reference to Consolidated Financial statements were operating effectively as at March 31, 2023, based on the internal control reference to Consolidated Financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S S KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Reg. No. 000756N

Vijay Kumar
Partner
Membership No. 092671
UDIN: 23092671BGSIBF2169

Place: New Delhi
Date: May 05, 2023

CONSOLIDATED BALANCE SHEET

as at March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	1,025.99	884.35
Capital work in Progress	4	138.01	75.81
Right of Use	5	63.01	22.99
Other Intangible Assets	6 (a)	5.05	4.50
Intangible Assets Under Development	6 (b)	9.79	4.32
Financial Assets:			
(i) Other Financial Assets	10 (a)	76.37	51.78
Deferred Tax Assets (Net)	7	20.25	20.35
Other Non-Current Assets	11 (a)	415.92	29.50
		1,754.39	**1,093.60**
Current Assets			
Inventories	12	747.38	587.10
Financial Assets:			
(i) Investments	9	1,065.14	648.24
(ii) Trade Receivables	13	1,168.60	1,107.72
(iii) Cash and Cash Equivalents	14	36.86	5.70
(iv) Bank Balance other than cash and cash equivalents	15	217.68	1,132.53
(v) Other Financial Assets	10 (b)	14.68	41.55
Current Tax Assets (Net)	8	-	40.96
Other Current Assets	11 (b)	285.02	252.71
		3,535.36	**3,816.51**
Total assets		**5,289.75**	**4,910.11**
EQUITY AND LIABILITIES			
Equity			
(i) Equity Share Capital	16	104.63	108.97
(ii) Other Equity	17	3,918.08	3,838.81
		4,022.71	**3,947.78**
Liabilities			
Non-Current Liabilities			
Financial Liabilities:			
(i) Borrowings	18	1.09	4.44
(ii) Lease liability	19 (a)	30.17	-
(iii) Other Financial Liabilities	20 (a)	3.18	2.38
Provisions	21 (a)	20.18	15.66
		54.62	**22.48**
Current Liabilities			
Financial Liabilities:			
(i) Borrowings	22	3.35	56.77
(ii) Trade Payables	23		
(a) total outstanding dues of micro enterprises and small enterprises		33.71	47.82
(b) total outstanding dues for creditors other than micro enterprises and small enterprises		843.72	584.50
(iii) Lease liability	19 (b)	15.32	5.16
(iv) Other Financial Liabilities	20 (b)	264.47	227.27
Other Current Liabilities	24	41.46	15.04
Provisions	21 (b)	4.48	3.30
Current Tax Liabilities (Net)	25	5.91	-
		1,212.42	**939.86**
Total equity and liabilities		**5,289.75**	**4,910.11**

Summary of significant accounting policies

Accompanying notes form an integral part of the financial statements

As per our report of even date

For SS Kothari Mehta & Company
Chartered Accountants
Firm Registration Number - 000756N

For and on behalf of the board of directors of Windlas Biotech Limited
(formerly known as Windlas Biotech Private Limited)

Vijay Kumar
Partner
Membership No. - 092671
Place: New Delhi
Date: May 05, 2023

Ashok Kumar Windlass
Whole Time Director
DIN: 00011451
Place: Dehradun
Date: May 05, 2023

Hitesh Windlass
Managing Director
DIN: 02030941
Place: Gurgaon
Date: May 05, 2023

Manoj Kumar Windlass
Joint Managing Director
DIN: 00221671
Place: Dehradun
Date: May 05, 2023

Komal Gupta
CEO & CFO
Place: Gurgaon
Date: May 05, 2023

Ananta Narayan Panda
Company Secretary
Place: Gurgaon
Date: May 05, 2023

CONSOLIDATED PROFIT AND LOSS

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from Operations	26	5,130.83	4,659.30
Other Income	27	99.65	67.06
Total Income		**5,230.48**	**4,726.36**
Expenses			
Cost of Material Consumed	28	3,407.14	3,075.58
Changes in Inventories of Finished goods and Work-in-progress	29	(152.67)	(47.42)
Employee Benefit Expenses	30	703.21	634.08
Finance Cost	31	7.88	14.17
Depreciation and Amortization expense	32	123.64	121.47
Other Expenses	33	570.89	472.83
Total Expenses		**4,660.09**	**4,270.71**
Profit before tax		**570.39**	**455.65**
Income tax expense			
Current tax	7	143.50	101.33
Deferred Tax	7	0.63	(26.57)
Total Tax Expense		144.13	74.76
Profit for the year		**426.26**	**380.89**
Profit attributable to Owners'		**426.26**	**380.89**
Profit attributable to Non Controlling Interest		**-**	**-**
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit plans- gain/(loss)		(2.09)	(2.41)
Income tax effect		0.53	0.61
B (i) Items that will be reclassified to profit or loss:			
Foreign currency translation reserve		(0.27)	(0.06)
Other Comprehensive Income for the year		(1.83)	(1.86)
Total Comprehensive Income for the year		**424.43**	**379.03**
Other Comprehensive Income attributable to Owner's		**(1.83)**	**(1.86)**
Other Comprehensive Income attributable to Non Controlling Interest		**-**	**-**
Total Comprehensive Income attributable to Owner's		**424.43**	**379.03**
Total Comprehensive Income attributable to Non Controlling Interest		**-**	**-**
Earnings per share:			
Basic (in ₹)		19.70	18.58
Diluted (in ₹)		19.70	18.58
Face value per share (in ₹)		5	5

Summary of significant accounting policies
Accompanying notes form an integral part of the financial statements

As per our report of even date

For SS Kothari Mehta & Company
Chartered Accountants
Firm Registration Number - 000756N

Vijay Kumar
Partner
Membership No. - 092671
Place: New Delhi
Date: May 05, 2023

For and on behalf of the board of directors of Windlas Biotech Limited
(formerly known as Windlas Biotech Private Limited)

Ashok Kumar Windlass
Whole Time Director
DIN: 00011451
Place: Dehradun
Date: May 05, 2023

Hitesh Windlass
Managing Director
DIN: 02030941
Place: Gurgaon
Date: May 05, 2023

Manoj Kumar Windlass
Joint Managing Director
DIN: 00221671
Place: Dehradun
Date: May 05, 2023

Komal Gupta
CEO & CFO
Place: Gurgaon
Date: May 05, 2023

Ananta Narayan Panda
Company Secretary
Place: Gurgaon
Date: May 05, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Equity shares of face value ₹ 5 each issued, subscribed and fully paid up

Particulars	No. of shares	Amount
As at March 31, 2021	**6,411,063**	**64.11**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance as on April 1, 2021	**6,411,063**	**64.11**
Impact of split of shares	6,411,063	-
Issue of Bonus shares	5,385,293	26.93
Fresh issue of Equity shares	3,586,956	17.93
As at March 31, 2022	**21,794,375**	**108.97**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance as on April 1, 2022	**21,794,375**	**108.97**
Impact of Buy Back of Shares	(867,747)	(4.34)
As at March 31, 2023	**20,926,628**	**104.63**

B. OTHER EQUITY

Particulars	Equity attributable to owners' of the Company							Non-controlling interest (B)	Total equity (A+B)
	Reserves and surplus					Foreign Currency Translation Reserve	Total (A)		
	Securities premium	General Reserve	Retained earnings	ESOP Reserve	Capital Redemption Reserve				
As at March 31, 2021	**754.91**	**136.25**	**1,035.95**	**-**	**-**	**(0.03)**	**1,927.08**	**-**	**1,927.08**
Changes in accouting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance as on April 1, 2021	**754.91**	**136.25**	**1,035.95**	**-**	**-**	**(0.03)**	**1,927.08**	**-**	**1,927.08**
ESOP reserve created during the year	-	-	-	18.13	-	-	18.13	-	18.13
Issue of Bonus shares	(26.93)	-	-	-	-	**(0.06)**	(26.98)	-	(26.98)
Issue of Equity shares	1,632.08	-	-	-	-	-	1,632.08	-	1,632.08
Share issue expenses	(90.59)	-	-	-	-	-	(90.59)	-	(90.59)
Profit for the year	-	-	380.89	-	-	-	380.89	-	380.89
Other comprehensive income, net of income tax	-	-	(1.80)	-	-	-	(1.80)	-	(1.80)
As at March 31, 2022	**2,269.47**	**136.25**	**1,415.04**	**18.13**	**-**	**(0.09)**	**3,838.81**	**-**	**3,838.81**
Changes in accouting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance as on April 1, 2022	**2,269.47**	**136.25**	**1,415.04**	**18.13**	**-**	**(0.09)**	**3,838.81**	**-**	**3,838.81**
ESOP reserve created during the year	-	-	-	10.08	-	-	10.08	-	10.08
Buy Back of Shares	(213.64)	-	-	-	-	-	(213.64)	-	(213.64)
Buy Back Tax	(49.76)	-	-	-	-	-	(49.76)	-	(49.76)
Buy Back Expenses	(4.18)	-	-	-	-	-	(4.18)	-	(4.18)
Share issue expenses	(11.37)	-	-	-	-	-	(11.37)	-	(11.37)
Dividend paid	-	-	(76.28)	-	-	-	(76.28)	-	(76.28)
Profit for the year	(4.34)	-	426.26	-	4.34	(0.27)	425.99	-	425.99
Other comprehensive income, net of income tax	-	-	(1.56)	-	-	-	(1.56)	-	(1.56)
As at March 31, 2023	**1,986.18**	**136.25**	**1,763.46**	**28.21**	**4.34**	**(0.36)**	**3,918.08**	**-**	**3,918.08**

Summary of significant accounting policies

Accompanying notes form an integral part of the financial statements

As per our report of even date

For SS Kothari Mehta & Company
Chartered Accountants
Firm Registration Number - 000756N

For and on behalf of the board of directors of Windlas Biotech Limited
(formerly known as Windlas Biotech Private Limited)

Vijay Kumar
Partner
Membership No. - 092671
Place: New Delhi
Date: May 05, 2023

Ashok Kumar Windlass
Whole Time Director
DIN: 00011451
Place: Dehradun
Date: May 05, 2023

Hitesh Windlass
Managing Director
DIN: 02030941
Place: Gurgaon
Date: May 05, 2023

Manoj Kumar Windlass
Joint Managing Director
DIN: 00221671
Place: Dehradun
Date: May 05, 2023

Komal Gupta
CEO & CFO
Place: Gurgaon
Date: May 05, 2023

Ananta Narayan Panda
Company Secretary
Place: Gurgaon
Date: May 05, 2023

CONSOLIDATED CASH FLOWS STATEMENT

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from operating activities		
Profit before tax	**570.39**	**455.65**
Add:		
Adjustments for:		
Exceptional Items		
Depreciation & amortization expense	123.64	121.47
Balance written back	0.54	3.13
ESOP	10.08	18.13
Foreign currency translation reserve	(0.27)	(0.06)
Allowance for Doubtful Debts	22.75	3.48
(Gain) / Loss on Investments measured at FVTPL (net)	(47.82)	(17.24)
Other Assets written off	0.08	-
Net (gain)/ loss on sale of Property Plant & Equipment	(8.76)	(0.10)
Interest expense on borrowings	5.63	13.47
Interest expense on lease liability	2.25	0.70
Interest income	(34.90)	(42.85)
Operating Profit before working capital changes	**643.61**	**555.78**
Changes in operating assets and liabilities:		
Increase/(decrease) in provisions	5.70	2.41
Increase/(decrease) in trade payables	245.12	233.04
Increase/(decrease) in other financial liabilities	39.57	27.35
Increase/(decrease) in other current liabilities	26.42	(12.17)
Decrease/(increase) in trade receivables	(83.63)	(316.73)
Decrease/(increase) in inventories	(160.28)	(172.49)
Decrease/(increase) in other financial assets	22.84	(18.28)
Decrease/(increase) in other non current assets	(0.24)	(1.00)
Decrease/(increase) in other current assets	(32.30)	(117.81)
Cash generated from operations	**706.81**	**180.10**
Income taxes refunded/ (paid)	(97.16)	(88.80)
Net cash flow from operations (A)	**609.65**	**91.30**
Cash flow from investing activities		
Purchase of property, plant & equipment, Intangible assets and capital work in progress including capital advances and capital creditors	(708.90)	(148.04)
Sale of property, plant & equipment, Intangible assets and capital work in progress	9.10	1.10
Proceeds from/ (investment in) Mutual Funds (net)	(369.08)	(418.14)
Interest received	45.50	25.62
Proceeds from redemption of / (Investment in) fixed deposits (net)	882.28	(1,006.32)
Net cash used in investing activities (B)	**(141.10)**	**(1,545.78)**
Cash flow from financing activities		
Proceeds/(Repayment) of Short Term Borrowings	(53.42)	(248.07)
Share Issue Expense	(11.37)	(77.85)
Proceeds from issue of equity shares (including securities premium)	-	1,650.00
Buyback of equity shares	(271.93)	-
Dividend Paid	(76.28)	-
Repayment of Long Term Borrowings	(3.35)	(3.88)
Repayment of Lease liabilities (principal portion)	(13.17)	(5.17)

CONSOLIDATED CASH FLOWS STATEMENT (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest paid (including interest on lease liabilities)	(7.87)	(14.15)
Net cash flow from/ (used in) financing activities (C)	**(437.39)**	**1,300.88**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**31.16**	**(153.60)**
Cash and cash equivalents at the beginning of the year	5.70	159.30
Cash and cash equivalents at the closing of the year	**36.86**	**5.70**

Notes:

a) Cash and Cash Equivalents included in Cash Flow Statement comprise of following (Refer Note 14):

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balances with Banks	36.64	3.72
Fixed deposits with original maturity of less than 3 months	-	1.82
Cash on Hand	0.22	0.16
Total	**36.86**	**5.70**

b) Reconciliation of changes in liabilities arising from financing activities:

Particulars	As at April 01, 2021	Net Cash Flows	Net Cash Flows Fair value changes	As at March 31, 2022
Long term borrowings	8.32	(3.88)	-	4.44
Short term borrowings*	304.84	(248.07)	-	56.77
Interest accrued	-	(14.15)	14.15	-
Lease liabilities	10.33	(5.17)	0.00	5.16
Equity Share Capital	-	1,650.00	(1,650.00)	-
Total Liabilities	**323.49**	**1,378.73**	**(1,635.85)**	**66.37**
Particulars	**As at April 01, 2022**	**Net Cash Flows Fair value changes**	**Non cash changes**	**As at March 31, 2023**
Long term borrowings	4.44	(3.35)	-	1.09
Short term borrowings*	56.77	(53.42)	-	3.35
Interest accrued	-	(7.87)	7.87	-
Lease liabilities	5.16	(13.17)	53.50	45.49
Equity Share Capital		(271.93)	271.93	
Total Liabilities	**66.37**	**(349.74)**	**333.30**	**49.93**

* including current maturities of Long term borrowings

Summary of significant accounting policies

Accompanying notes form an integral part of the financial statements

As per our report of even date

For SS Kothari Mehta & Company
Chartered Accountants
Firm Registration Number - 000756N

Vijay Kumar
Partner
Membership No. - 092671
Place: New Delhi
Date: May 05, 2023

For and on behalf of the board of directors of Windlas Biotech Limited
(formerly known as Windlas Biotech Private Limited)

Ashok Kumar Windlass
Whole Time Director
DIN: 00011451
Place: Dehradun
Date: May 05, 2023

Hitesh Windlass
Managing Director
DIN: 02030941
Place: Gurgaon
Date: May 05, 2023

Manoj Kumar Windlass
Joint Managing Director
DIN: 00221671
Place: Dehradun
Date: May 05, 2023

Komal Gupta
CEO & CFO
Place: Gurgaon
Date: May 05, 2023

Ananta Narayan Panda
Company Secretary
Place: Gurgaon
Date: May 05, 2023

NOTES to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

1 CORPORATE INFORMATION

Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited) ('the Company' or 'Parent') is a limited company domiciled in India and incorporated on February 19, 2001 under the provisions of the Companies Act, 1956 having its registered office at 40/1, Mohabewala Industrial Area, Dehradun, Uttarakhand. These Consolidated Financial Statements comprise the Company and its subsidiary (together referred as the 'Group') and its associate and its joint venture. The Group is engaged in manufacturing and trading of pharmaceutical products. The Group manufacturing facilities are located at Dehradun in Uttarakhand.

Pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on April 03, 2021, the Company has converted from a Private Limited Company to a Public Limited Company and consequently, name of the Company has changed to Windlas Biotech Limited pursuant to fresh certificate of incorporation issued by ROC on April 15, 2021.

The Group Consolidated Financial Statements for the year ended March 31, 2023 and March 31, 2022 were approved for issue by the Board of Directors, in accordance with resolution passed on May 05, 2023.

2 SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.01 Basis of preparation and presentation of consolidated financial statement

i) Compliance with IndAS

The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013.

ii) Basis of consolidation

The Consolidated Financial Statements of the Group comprise of the Consolidated Financial Statement of Assets and Liabilities as at March 31, 2023, Consolidated Financial Statement of Assets and Liabilities as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year ended March 31, 2023 and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for years ended March 31, 2022, and the Significant Accounting Policies and explanatory notes (collectively, the 'Consolidated Financial Statements' or 'Statements').

iii) Historical cost convention

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities:

i) Certain financial assets and liabilities that are measured at fair value

ii) Defined benefit plans-plan assets measured at fair value

The Consolidated Financial Statements are presented in Indian Rupees ('INR') and all values are rounded to nearest millions (INR '000,000) upto two decimal places, except when otherwise indicated.

2.02 Basis of Consolidation

Subsidiaries:

The consolidated summary financial information incorporate the financial statements of the Company and entities

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

controlled by the Company. Subsidiaries are all entities over which the holding company has control. The Company controls an investee when the Company has power over the investee, is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power to direct the relevant activities of the investee. Subsidiaries are fully consolidated from the when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.Windlas Healthcare Private Limited was subsidiary in financial year FY 2018-19 till October 29, 2018. The Company lost control in Windlas Healthcare Pvt. Ltd. on October 29, 2018. The Company again gained the control and Windlas Healthcare Pvt. Ltd. became the subsidiary w.e.f. April 16, 2020 till April 30, 2020. On April 30, 2020 the Company got 100% stake in Windlas Healthcare Pvt. Ltd. and thus, it became 100% subsidiary of the company.

The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the Holding company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-Group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Statement of Assets and Liabilities respectively.

In the consolidated financial information, 'Goodwill' represents the excess of the cost to the Holding company of its investment in the subsidiaries over its share of equity, at the respective dates on which the investments are made. Alternatively, where the share of equity as on the date of investment is in excess of cost of investment, it is recognised as 'Bargain Purchase' in the consolidated financial statements.

Associates & Joint Venture:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decision of the investee, but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group's investment in its associate are accounted for using the equity method, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of the profit or loss and other comprehensive income of the associate since the acquisition date. Distributions received from an associate reduce the carrying amount of the investment. When the Group's share of losses of an associate exceeds the Group's interest in that associate, the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Windlas Healthcare Private Limited became associate of the Company w.e.f. October 30, 2018 and continued to be an Associate until April 16, 2020.

Goodwill relating to the Associates & Joint Venture is included in the carrying amount of the investment and is not tested for impairment individually. The consolidated statement of

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

profit and loss reflects the Group's share of the results of operations of the Associates & Joint Venture. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognized directly in the equity of the Associates & Joint Venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associated are eliminated to the extent of the interest in the associate.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities. The aggregate of the Group's share of profit and loss of an associate is shown on the face of the consolidated statement of profit and loss outside operating profit and represents profit and loss after tax of the associate. The financial statements of the associate are prepared for the same reporting period as of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its Associates & Joint Venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the Associates & Joint Venture and its carrying value, and recognises the loss as 'Share of profit of an Associate & Joint Venture' in the consolidated summary statement of profit and loss.

2.03 Current versus non-current classification

The Group presents assets and liabilities in the Consolidated balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- 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:

- It is expected to be settled in normal operating cycle

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

- It is held primarily for purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non current.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

2.04 Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

2.05 Common Control transactions

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Ind AS 103. Such transactions are accounted for using the pooling-of-interest method. The assets and liabilities of the acquired entity are recognised at their carrying amounts in the Group's consolidated financial statements with the exception of certain income tax and deferred tax assets. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies. The components of equity of the acquired companies are added to the

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

same components within the Group's equity. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves. The acquiree companies' shares issued in consideration for the acquired companies are recognized from the moment the acquired companies are included in these consolidated financial statements and the financial statements of the commonly controlled entities would be combined, retrospectively, as if the transaction had occurred at the beginning of the earliest reporting period presented. However, the prior year comparative information is only adjusted for periods during which entities were under common control.

2.06 Property, plant and equipment

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of input tax credit availed wherever applicable. Subsequent costs are included in asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Group and the cost of item can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

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.

Depreciation on property, plant and equipment is provided on prorata basis on written-down value method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful life is as follows:

Assets	Useful life (in years)
Building	30
Plant and machinery	15
Furniture and fixtures	10
Vehicles	8
Office equipment	5
Computers and servers	3-6
Exceptions to above	
Plant & machinery (Continuous Process plant)*	15
(Including second hand Purchase)*	
Lab Equipment *	15

*Based on Internal assessment the management believes that the useful life given above best represent the period over which management expects to use these assets

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all the items of property, plant and equipment recognized as at 1 April 2019, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

2.07 Intangible assets

Separately acquired intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate all the following:

i) The technical feasibility of completing the intangible asset so that it will be available for use or extra;

ii) Its intention to complete the asset;

iii) Its ability to use or sell the asset;

iv) How the asset will generate future economic benefits;

v) The availability of adequate resources to complete the development and to use or sell the asset; and

vi) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on straight line basis over the estimated useful life. During the period of development, the asset is tested for impairment annually.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortized on a straight line basis over the estimated useful economic life of 5 years, which represents the period over which the Group

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

expects to derive economic benefits from the use of the assets.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all the items of intangible assets recognized as at 1 April 2019, measured as per the previous GAAP, and use that carrying value as the deemed cost of such Intengible assets.

2.08 Impairment of non- financial Assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are presented at the lowest levels for the which there are separately identifiable cash inflows which largely independent of the cash inflows from other assets (cash - generating units). Non - financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.09 Compound financial instruments

Compound financial instruments are separated into liability and equity components based on the terms of the contract. On issuance of compound financial instruments, the fair value of the liability component is determined using a market rate for an equivalent instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction cost) until it is extinguished on redemption/ conversion.

2.10 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.

(i) Financial Assets

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortized cost

The classification depends on entity's business model for managing the financial assets and the contractual terms of the cash flow.

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- Debt instruments at fair value through profit and loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments at amortized cost
- Equity instruments

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss),or recognized in other comprehensive income(i.e. fair value through other comprehensive income).

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

Debt instruments at amortized cost

A Debt instrument is measured at amortized cost if both the following conditions are met:

a) **Business Model Test** : The objective is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

b) **Cash flow characteristics test**: The contractual terms of the Debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

This category is most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in other income in profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments at fair value through OCI

A Debt instrument is measured at fair value through other comprehensive income if following criteria are met:

a) **Business Model Test** : The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.

b) **Cash flow characteristics test**: The contractual terms of the Debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognized in statement of profit and loss. On derecognition of asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit & loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

Debt instruments at FVTPL

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI, is classified as at FVTPL.A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognized in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

arises. Interest income from these Debt instruments is included in other income.

Equity investments of other entities

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which IND AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and loss.

Derecognition

A financial asset (or ,where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;
  (a) the Group has transferred the rights to receive cash flows from the financial assets or
  (b) the Group has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognized.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income(FVTOCI);

  The Group follows "simplified approach" for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables;

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

Under the simplified approach, the Group does not track changes in credit risk. Rather , it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognizing impairment loss allowance based on 12- months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

(i) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

(ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

(a) Financial assets measured as at amortized cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

(b) Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

(c) Debt instruments measured at FVTOCI: For debt instruments measured at FVTOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

other comprehensive income as the "accumulated impairment amount".

(ii) Financial liabilities:

Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. the Group financial liabilities include loans and borrowings including bank overdraft, trade payables, trade deposits, retention money, liabilities towards services, sales incentive and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as 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. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationship as defined by Ind AS 109. The separated embedded derivate are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

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

Trade Payables

These amounts represents liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using Effective interest rate method.

Loans and borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the Effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognised as well as through the Effective interest rate amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective interest rate. The Effective interest rate amortization is included as finance costs in the statement of profit and loss.

Borrowing are classified as current liabilities unless the Group has an unconditional right to defer settlement of

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

the liability for at least 12 months after the reporting period.

Derecognition

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 lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or medication 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 and loss.

Offsetting of financial instruments:

Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Reclassification of financial assets/ financial liabilities

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent.

The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

2.11 Inventories

a) Basis of valuation:

i) Inventories are valued at lower of cost and net realizable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.

b) Method of Valuation:

i) **Cost of raw materials and components** has been determined by using FIFO method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

ii) **Cost of finished goods and work-in-progress** includes direct labour and an appropriate share of fixed and variable production overheads and excise duty as applicable. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Cost is determined on moving weighted average basis.

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

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

2.12 Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity, respectively.

Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

The Group's management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax:

Deferred income tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

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

2.13 i) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group collects Goods and Service Tax on behalf of government, and therefore, these are not consideration to which the Group is entitled, hence, these are excluded from revenue. The Group has generally concluded that it is the principal

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

a) Revenue from sale of goods

Revenue from sale of goods is recognised at the point in time when significant risk and rewards of ownership of the goods is transferred to the customer, generally ex-factory.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

b) Revenue from sale of services

Revenue from sale of services is recognised over a period of time because the customer simultaneously receives and consumes the benefits provided by the Group and accounted revenue as and when services are rendered on cost plus basis where cost is determined on principles mutually agreed with customers.

c) Consideration of significant financing component in a contract

The Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

d) Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current. Where the settlement is due after one year, they are classified as non-current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

e) Contract Assets

A contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. The impairment of contract assets is measured, presented and disclosed on the same basis as trade receivables.

f) Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

g) Impairment

An impairment is recognised to the extent that the carrying amount of receivable or asset relating to contracts with customers (a) the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which such asset relates; less (b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

ii) Other Income

a) Export incentives

Revenue from export benefits arising from duty drawback scheme, merchandise export incentive scheme are recognised on export of goods in accordance with their respective underlying scheme at fair value of consideration received or receivable.

b) Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

2.14 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. the liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

a) Compensated Absences

"Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of profit and loss in the year in which such gains or losses are determined."

(iii) Post-employment obligations

a) Gratuity

Gratuity is a post-employment benefit and is in the nature of a defined benefit

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is determined by actuarial valuation as on the balance sheet date, using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

(i) The date of the plan amendment or curtailment, and

(ii) The date that the Group recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

(i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and nonroutine settlements; and

(ii) Net interest expense or income

b) Provident fund

The Group makes contributions to statutory provident fund in accordance with the Employees Provident Fund and Miscellaneous Provisions Act, 1952, which is a defined contribution plan. The Group's contributions paid/payable under the scheme is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

c) Employee State Insurance

The Group makes prescribed monthly contributions towards Employees' State Insurance Scheme.

d) Superannuation Scheme

The Group contributes towards a fund established to provide superannuation benefit to certain employees in terms of Group Superannuation Policy entered into by such fund with the Life Insurance Corporation of India.

e) Pension Scheme

The Group makes contributions to the Pension Scheme fund in respect of certain employees of the Company.

2.15 Leases- Group as a lessee

Leases are accounted for using the principles of recognition, measurement, presentation and disclosures as set out in Ind AS 116 Leases.

On inception of a contract, the Group assesses whether it contains a lease. A contract contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to use the asset and the obligation under the lease to make payments are recognised in the Group's financial statements as a right-of-use asset and a lease liability.

Lease contracts may contain both lease and non-lease components. The Group allocates

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

payments in the contract to the lease and non-lease components based on their relative stand-alone prices and applies the lease accounting model only to lease components.

The right-of-use asset recognised at lease commencement includes the amount of lease liabilities on initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated to a residual value over the rights-of-use assets' estimated useful life or the lease term, whichever is lower. Right-of-use assets are also adjusted for any re-measurement of lease liabilities and are subject to impairment testing. Residual value is reassessed at each reporting date.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including 'in-substance fixed' payments) and variable lease payments that depend on an index or a rate, less any lease incentives receivable. 'In-substance fixed' payments are payments that may, in form, contain variability but that, in substance, are unavoidable. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease term includes periods subject to extension options which the Group is reasonably certain to exercise and excludes the effect of early termination options where the Group is not reasonably certain that it will exercise the option. Minimum lease payments include the cost of a purchase option if the Group is reasonably certain it will purchase the underlying asset after the lease term.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest on lease liability and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification e.g. a change in the lease term, a change in the 'in-substance fixed' lease payments or as a result of a rent review or change in the relevant index or rate.

Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period over which the event or condition that triggers the payment occurs. In respect of variable leases which guarantee a minimum amount of rent over the lease term, the guaranteed amount is considered to be an 'in-substance fixed' lease payment and included in the initial calculation of the lease liability. Payments which are 'in-substance fixed' are charged against the lease liability.

The Group has opted not to apply the lease accounting model to intangible assets, leases of low-value assets or leases which have a term of less than 12 months. Costs associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Lease payments are presented as follows in the Group's statement of cash flows:

(i) short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented within cash flows from operating activities;

(ii) payments for the interest element of recognised lease liabilities are presented within cash flows from financing activities; and

(iii) payments for the principal element of recognised lease liabilities are presented within cash flows from financing activities.

2.16 Government Grants

Government Grants are recognized at their fair value when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs,

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

2.17 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

2.18 Borrowing Costs

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are recognized as expense in the period in which they occur.

2.19 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institutions, other short - term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.20 Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Group's financial statements are presented in Indian rupee (INR) which is also the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are generally recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

2.21 Provisions and Contingent Liabilities

Provisions

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of past event, 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 the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. the Group does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Contingent assets

Contingent assets are not recognised in the financial statements. Contingent assets are disclosed in the financial statements to the extent it is probable that economic benefits will flow to the Group from such assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.22 Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

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 Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.23 Exceptional items

Items which are material by virtue of their size and nature are disclosed separately as exceptional items to ensure that financial statements allows an understanding of the underlying performance of the business in the year and to facilitate comparison with prior year.

2.24 Employees Stock option plan

Some employees (including senior executives) of the Company receive remuneration in the form of share based payment, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.25 Consolidated statement of cash flows

Consolidated statements of cash flows is made using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferral accruals of past or future cash receipts or payments and item of income or expense associated with investing or financing of cash flows. The cash flows from operating, financing and investing activities of the Company are segregated.

2.26 Significant accounting judgements, estimates and assumptions

The preparation of the Group'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 the asset or liability affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the Consolidated Financial Statements.

a) Recognition of deferred taxes

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

b) Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. the Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

c) Recognition of revenue

The price charged from the customer is treated as stand alone selling price of the goods transferred to the customer. At each balance sheet date, basis the past trends and management judgment, the Group assesses the requirement of recognising provision against the sales returns for its products and in case, such provision is considered necessary, the management make adjustment in the revenue. However, the actual future outcome may be different from this judgement.

d) Impairment of non-Financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An assets recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's of

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

e) Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease etc. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

f) Government grants

The Group assesses whether the government grant received is for purchase of capital assets or for meeting expenses as per the conditions attached to the grant and recognises the same as either deduction from cost of assets or income in statement of profit and loss.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority

b) Gratuity benefit

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

to the complexity of the valuation, the underlying assumptions 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. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates for the respective countries. Further details about the assumptions used, including a sensitivity analysis, are given in Note 41.

c) **Fair value measurement of financial instrument**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d) **Property, plant and equipment and intangible assets**

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. For managements estimates on useful life of assets refer note 2.06 and 2.07.

2.27 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1-Presentation of Financial Statements-

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and off setting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Plant & Machinery	Furniture & Fixtures	Office Equipments	Computers	Electrical Installation	Motor Vehicles	Total
Gross Block									
As at April 01, 2021	**215.71**	**451.74**	**740.95**	**26.11**	**7.18**	**7.42**	**34.80**	**9.02**	**1,492.93**
Additions	-	1.86	55.00	2.87	0.34	2.20	3.02	7.73	73.02
Disposals	-	-	-	-	-	-	1.41	4.77	6.18
As at March 31, 2022	**215.71**	**453.60**	**795.95**	**28.98**	**7.52**	**9.62**	**36.41**	**11.98**	**1,559.77**
Additions	97.88	35.99	106.91	4.13	0.09	2.98	0.95	1.32	250.25
Disposals	-	-	0.25	-	-	-	-	1.75	2.00
As at March 31, 2023	**313.59**	**489.59**	**902.61**	**33.11**	**7.61**	**12.60**	**37.36**	**11.55**	**1,808.02**
Depreciation									
As at April 01, 2021	**-**	**144.24**	**382.87**	**14.86**	**6.37**	**3.71**	**13.32**	**2.51**	**567.88**
Charge for the year	-	29.35	68.35	3.08	0.39	2.67	5.75	3.13	112.72
Disposals	-	-	-	-	-	-	0.77	4.41	5.18
As at March 31, 2022	**-**	**173.59**	**451.22**	**17.94**	**6.76**	**6.38**	**18.30**	**1.23**	**675.42**
Charge for the year	-	27.39	66.85	3.05	0.32	2.37	4.93	3.27	108.18
Disposals	-	-	0.16	-	-	-	-	1.41	1.57
As at March 31, 2023	**-**	**200.98**	**517.91**	**20.99**	**7.08**	**8.75**	**23.23**	**3.09**	**782.03**
Net Carrying Value									
As at March 31, 2022	**215.71**	**280.01**	**344.73**	**11.04**	**0.76**	**3.24**	**18.11**	**10.75**	**884.35**
As at March 31, 2023	**313.59**	**288.61**	**384.70**	**12.12**	**0.53**	**3.85**	**14.13**	**8.46**	**1,025.99**

4 CAPITAL WORK-IN-PROGRESS

	Amount
As at April 01, 2021	**0.37**
Additions	75.81
Expense off during the year	0.37
Capitalized during the year	
As at March 31, 2022	**75.81**
Additions	161.89
Expense off during the year	-
Capitalized during the year	99.69
As at March 31, 2023	**138.01**

Capital Work-in-progress as at March 31, 2023

	Amount of CWIP for a period of				
	< 1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	109.66	28.35	-	-	**138.01**
Projects temporarily suspended	-	-	-	-	-

Capital Work-in-progress as at March 31, 2022

	Amount of CWIP for a period of				
	< 1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	75.81	-	-	-	**75.81**
Projects temporarily suspended	-	-	-	-	-

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

5 RIGHT OF USE

	Vehicle	Leasehold land	Leasehold Buildings	Total
Gross Carrying Value				
As at April 1, 2021	**-**	**15.02**	**27.60**	**42.62**
Additions	-	-	-	-
Deductions	-	-	-	-
As at March 31, 2022	**-**	**15.02**	**27.60**	**42.62**
Additions	20.94	-	32.56	53.50
Deductions	-	-	-	-
As at March 31, 2023	**20.94**	**15.02**	**60.16**	**96.12**
Depreciation / Amortization				
As at April 1, 2021	**-**	**0.34**	**12.75**	**13.09**
Charge for the period	-	0.17	6.37	6.54
Deductions	-	-	-	-
As at March 31, 2022	**-**	**0.51**	**19.12**	**19.63**
Charge for the year	4.80	0.17	8.51	13.48
Deductions	-	-	-	-
As at March 31, 2023	**4.80**	**0.68**	**27.63**	**33.11**
Net Carrying Value				
As at March 31, 2022	**-**	**14.51**	**8.48**	**22.99**
As at March 31, 2023	**16.14**	**14.34**	**32.53**	**63.01**

6 (a) Other Intangible asset

	Product development	Software	Total
Gross Carrying Value			
As at April 01, 2021	**8.41**	**26.02**	**34.43**
Additions	-	1.89	1.89
Disposals	-	-	-
As at March 31, 2022	**8.41**	**27.91**	**36.32**
Additions	-	2.53	**2.53**
Disposals	-	-	-
As at March 31, 2023	**8.41**	**30.44**	**38.85**
Amortization			
As at April 01, 2021	**8.41**	**21.20**	**29.61**
Charge for the period	-	2.21	2.21
Disposals	-	-	-
As at March 31, 2022	**8.41**	**23.41**	**31.82**
Charge for the year	-	1.98	**1.98**
Disposals	-	-	-
As at March 31, 2023	**8.41**	**25.39**	**33.80**
Net Carrying Value			
As at March 31, 2022	**(0.00)**	**4.50**	**4.50**
As at March 31, 2023	**(0.00)**	**5.05**	**5.05**

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

6 (b) Intangible Assets Under Development

	Amount
As at April 1, 2021	**-**
Additions	4.32
Other direct expense	-
Capitalized during the year	-
Write off	-
As at March 31, 2022	**4.32**
Additions	5.47
Other direct expense	-
Capitalized during the year	-
Write off	-
As at March 31, 2023	**9.79**

Intangible Assets Under Development as at March 31, 2023

	Amount of Intangible Assets Under Development for a period of				
	< 1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	5.47	4.32	-	-	**9.79**
Projects temporarily suspended	-	-	-	-	-

Intangible Assets Under Development as at March 31, 2022

	Amount of Intangible Assets Under Development for a period of				
	< 1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	4.32	-	-	-	**4.32**
Projects temporarily suspended	-	-	-	-	-

7 DEFERRED TAX

	Balance Sheet	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Accelerated depreciation as per Income tax Act, 1961	14.07	16.28
Employee benefits	13.57	11.23
Financial instruments measured at amortised cost	0.36	0.38
Financial instruments measured at fair value through P&L	(11.89)	(5.86)
Right of use, net of lease liability	(4.40)	(4.49)
Others	8.54	2.81
	20.25	**20.35**
Deferred tax comprise of:		
Deferred tax asset	48.00	32.00
Deferred tax liability	(27.75)	(11.65)
Net deferred tax asset/ (liability)	**20.25**	**20.35**

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

Movement of deferred tax	Statement of Profit & Loss	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Accelerated depreciation as per Income tax Act, 1961	2.20	(29.99)
Employee benefits	(2.34)	(0.86)
Financial instruments measured at amortised cost	0.02	0.54
Financial instruments measured at fair value through P&L	6.04	4.34
Right of use, net of lease liability	(0.09)	(0.34)
Others	(5.73)	(0.87)
	0.10	**(27.18)**
Tax impact of other comprehensive income	0.53	0.61
Deferred tax expense/ (credit) charged in profit and loss	**0.63**	**(26.57)**

7 INCOME TAX

	For the year ended March 31, 2023	For the year ended March 31, 2022
The major components of income tax expense are:		
Profit and loss -		
Current income tax:		
Current income tax charge	143.50	101.33
Deferred tax:		
Related to origination and reversal of temporary differences	0.63	(26.57)
Income tax expense reported in the statement of profit and loss	**144.13**	**74.76**
Reconciliation of tax expense and accounting profit		
Accounting profit / (loss) before tax from continuing operations	**570.39**	**455.65**
Statutory income tax rate applicable	25.17%	25.17%
Tax at India's statutory income tax rate	**143.56**	**114.68**
Adjustment for less depreciation under income tax	13.41	7.67
Adjustment for gratuity, leave encashment and bonus allowed on actual paid basis	(1.49)	(0.20)
Income not taxable	(57.99)	(21.59)
Other expenses disallowed	34.45	13.01
Income chargeable at different tax rate	23.41	1.33
Others	(11.85)	(13.56)
Deferred tax expense/(credit) on items of OCI	0.63	(26.57)
Income tax expense reported in the statement of profit and loss	**144.13**	**74.76**

8 CURRENT TAX ASSETS (NET)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Advance tax (net of provision for taxation)	-	40.96
Total	**-**	**40.96**

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

9 INVESTMENTS

			Current	
			As at March 31, 2023	As at March 31, 2022
Investment in Mutual Funds measured at fair value through P&L				
	Units at March 31, 2023	Units at March 31, 2022		
ABSL Floating Rate Fund Direct Plan - Growth	765,306.200	Nil	229.28	-
TATA Money Market Fund - Direct Plan Growth	60,555.880	Nil	245.13	-
DSP Savings Fund - Direct Plan - Growth	1,977,522.460	Nil	90.94	-
ABSL Arbitrage Fund- Direct Growth	1,307,385.170	Nil	31.43	-
HDFC Low Duration Fund - Direct Plan Growth	1,274,812.278	1,274,812.278	66.95	63.47
L&T Arbitrage opportunities Fund Direct Plan Growth	Nil	6,284,250.896	-	102.11
HDFC Liquid Direct Plan Growth	24,422.028	24,422.028	108.02	102.20
Nippon India Arbitrage Fund Direct Plan Growth	Nil	4,488,428.265	-	102.46
Tata Arbitrage Fund-Direct Plan Growth	3,509,245.970	8,510,864.683	44.50	102.01
BARODA BNP PARIBAS Arbitrage Fund Direct Plan - Growth	2,302,431.017	Nil	32.84	-
DSP Arbitrage Fund Direct Plan - Growth	2,278,828.632	Nil	30.03	-
ICICI Prudential Savings Fund - Direct Plan - Growth	402,128.239	402,128.239	186.02	175.99
Total			**1,065.14**	**648.24**
Aggregate amount of quoted investments			1,065.14	648.24
Aggregate Market value of quoted investments			1,065.14	648.24
Aggregate amount of impairment in value of investments			-	-

10 a) OTHER FINANCIAL ASSETS

	Non Current	
	As at March 31, 2023	As at March 31, 2022
Advance to Employees	0.00	0.05
Security Deposits	18.19	26.11
Fixed Deposit having remaining maturity of more than 12 months*	58.18	25.61
Total	**76.37**	**51.78**

*There is a Lien on Fixed deposit for ₹ 5.74 millions as on March 31, 2023 and ₹ 2.48 millions as on March 31, 2022

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

10 b) OTHER FINANCIAL ASSETS

	Current	
	As at March 31, 2023	As at March 31, 2022
Advance to Employees	0.54	0.17
Interest accrued on fixed deposits	4.38	16.39
Security Deposits	9.21	24.20
Earnest money deposit	0.55	0.80
Total	**14.68**	**41.55**

11 a) OTHER ASSETS

	Non Current	
	As at March 31, 2023	As at March 31, 2022
Advances to suppliers/ vendors		
Capital Advances	387.71	1.53
Other assets		
Balances with government authorities (Refer Note 48)	27.22	26.24
Prepaid expenses	0.99	1.73
Total	**415.92**	**29.50**

11 b) OTHER ASSETS

	Current	
	As at March 31, 2023	As at March 31, 2022
Advances to suppliers/ vendors		
Advances to Suppliers	14.63	26.19
Other Advances	1.55	3.41
Other assets		
Balances with government authorities	260.13	207.83
Prepaid expenses	8.71	9.54
Other receivables	-	5.74
Total	**285.02**	**252.71**

12 INVENTORIES

	As at March 31, 2023	As at March 31, 2022
[The Inventory is valued at lower of cost and net realizable value]		
Classification of Inventories:		
Raw Materials & Packing Materials	382.05	349.12
Consumables	15.42	40.73
Work-in-progress	179.52	66.35
Finished Goods (including goods in transit of ₹ 2.60 millions as at March 31, 2023 and ₹26.59 millions as at March 31, 2022)	170.39	130.89
Total	**747.38**	**587.10**

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

13 TRADE RECEIVABLES

	As at March 31, 2023	As at March 31, 2022
Trade Receivables considered good – Unsecured	1,168.60	1,107.72
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	33.92	11.17
	1,202.52	**1,118.89**
Less: Allowance for expected credit loss	(33.92)	(11.17)
Total	**1,168.60**	**1,107.72**

The carrying value of the trade receivables may be affected by the changes in the credit risk as explained in note 44.

Generally, the average credit period is based on specific arrangement with the other party. Interest is charged as per the agreed terms post expiry of the credit period.

The following table summarises the change in impairment allowance measured using the life time expected credit loss model:

Particulars	As at March 31, 2023	As at March 31, 2022
At the beginning of the year	11.17	7.70
Provision made during the year	22.75	3.47
Utilized /reversed during the year	-	-
At the end of the year	**33.92**	**11.17**

Contract Balances

(A) Trade receivables, contract assets and contract liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables {Refer note (a) below}	1,168.60	1,107.72
Contract liabilities {Refer note (b) below}		
Advance from customers	20.07	7.30

Note (a) - Account receivables represent the amount for which performance obligation has been fulfilled and revenue recognized but the money is receivable from customer.

Note (b) - Advance from customers represents the obligation of the Company to transfer goods or services to the customers for which the consideration has already been received from the customers. Advance from customers are recognised as revenue when the Company performs under the contract with the customer.

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

(B) Unsatisfied performance obligation

Total value of performance obligation of the Company remaining unsatisfied at the end of year with timelines within which it is expected to recognise revenue:

Particulars	As at March 31, 2023	As at March 31, 2022
Within one year	20.07	7.30
More than one year	-	-

(C) During the year, revenue recognised from amounts included in contract liabilities at the beginning of the year is	7.30	14.84

13. (i) Classification and aging of Trade Receivables As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment						
	Not due	< 6 Months	6 months - 1 year	1-2 Years	2-3 Years	> 3 Years	Total
(i) undisputed trade Receivables – considered good	546.32	614.62	7.66	-	-	-	**1,168.60**
(ii) undisputed trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) undisputed trade Receivables – credit impaired	-	-	32.40	1.52	-	-	**33.92**
(iv) disputed trade Receivables – considered good	-	-	-	-	-	-	**-**
(v) disputed trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi) disputed trade Receivables – credit impaired	-	-	-	-	-	-	**-**
Total	**546.32**	**614.62**	**40.06**	**1.52**	**-**	**-**	**1,202.52**
Less: Allowance for expected credit loss							(33.92)
Total Receivables							**1,168.60**

13. (ii) Classification and aging of Trade Receivables As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						
	Not due	< 6 Months	6 months - 1 year	1-2 Years	2-3 Years	> 3 Years	Total
(i) undisputed trade Receivables – considered good	599.80	495.95	11.97	-	-	-	**1,107.72**
(ii) undisputed trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) undisputed trade Receivables – credit impaired	-	-	11.17	-	-	-	**11.17**
(iv) disputed trade Receivables – considered good	-	-	-	-	-	-	**-**
(v) disputed trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi) disputed trade Receivables – credit impaired	-	-	-	-	-	-	**-**
Total	**599.80**	**495.95**	**23.14**	**-**	**-**	**-**	**1,118.89**
Less: Allowance for expected credit loss							(11.17)
Total Receivables							**1,107.72**

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

14 CASH AND BANK BALANCES

	As at March 31, 2023	As at March 31, 2022
Balances with banks- in current accounts	36.64	3.72
Fixed deposits- original maturity less than 3 months	-	1.82
Cash in Hand	0.22	0.16
Total	**36.86**	**5.70**

15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2023	As at March 31, 2022
Receivable from IPO Public	-	26.21
Fixed Deposit- Original maturity more than 3 months but upto 1 year*	217.68	1,106.32
Total	**217.68**	**1,132.53**

*There is a Lien on Fixed deposit for ₹ 12.99 millions as on March 31, 2023 and ₹ 0.76 millions as on March 31, 2022

16 EQUITY SHARE CAPITAL

(a) Authorised Share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Equity Shares		
Equity Shares of ₹ 5 each: 108,000,000 (Equity Shares of ₹ 5 each March 31, 2022: 108,000,000)	540.00	540.00
Instruments entirely Equity in nature		
Preference Shares		
0.001% Non- Cumulative Compulsory Convertible Preference Shares of ₹ 100 each : 300,000 (March 31, 2022: 300,000)	30.00	30.00
Optionally Convertible Preference Shares of ₹ 10 each : 20,500,000 (March 31, 2022 : 20,500,000)	205.00	205.00
Total authorised share capital	**775.00**	**775.00**

(b) Issued, Subscribed & Fully Paid up Shares

Particulars	As at March 31, 2023	As at March 31, 2022
Equity Shares 20,926,628 of ₹ 5 each (March 31, 2022: 21,794,375 Equity Shares of ₹ 5 each)	104.63	108.97
Total issued, subscribed and fully paid up share capital	**104.63**	**108.97**

- The Company has only one class of issued shares referred to as equity shares having a par value of ₹ 5 each. The holder of equity shares are entitled to one vote per share.

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

- 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 shareholder

(c) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
Balance at the beginning of the year	21,794,375	108.97	6,411,063	64.11
Split of shares	-	-	6,411,063	-
Issue of Bonus shares	-	-	5,385,293	26.93
Fresh issue of Equity shares	-	-	3,586,956	17.93
Buy Back during the Year (Refer Note 46)	867,747	4.34	-	-
Balance at the end of the reporting year	**20,926,628**	**104.63**	**21,794,375**	**108.97**

(d) The Board of Directors at its meeting held on May 05, 2023, has proposed final dividend of ₹ 4.00 Per share subject to approval in annual general meeting

The Board of Directors at its meeting held on May 12, 2022, has proposed final dividend of ₹ 3.50 Per share and the same was approved in the annual general meeting.

Particulars	As at March 31, 2023	As at March 31, 2022
Dividend proposed by the Board of Directors in their meeting subject to approval in annual general meeting and are not recognised as liability	83.19	76.28
Dividend paid by the company during the year	76.28	-

(e) Details of shareholders holding more than 5% shares in the Company

Name of shareholders	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of ₹ 5 each fully paid-up				
Sh. Ashok Kumar Windlass	4,400,000	21.03%	4,400,000	20.19%
AKW WBL Family Private Trust	8,381,340	40.05%	8,381,340	38.46%
ICICI Prudential SmallCap Fund	1,958,136	9.36%	-	0.00%
ICICI Prudential Pharma Healthcare and Diagnostics (PHD) Fund	-	0.00%	1,121,827	5.15%
Total	**14,739,476**	**70.43%**	**13,903,167**	**63.79%**

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

(f) Details of promoters and promotors group shareholding

Name of shareholders	As at March 31, 2023		As at March 31, 2022		Changes in No of shares during the FY 2022-23	Changes in % of Holding during the FY 2022-23
	No. of shares	% of holding	No. of shares	% of holding		
Equity shares of ₹ 5 each fully paid-up						
Promotors Shareholding						
Sh. Ashok Kumar Windlass	4,400,000	21.03%	4,400,000	20.19%	-	0.84%
Smt. Vimla Windlass	284,000	1.35%	284,000	1.30%	-	0.05%
Sh. Hitesh Windlass	3	0.00%	3	0.00%	-	0.00%
Sh. Manoj Kumar Windlass	3	0.00%	3	0.00%	-	0.00%
Smt. Payal Windlass	3	0.00%	3	0.00%	-	0.00%
Smt. Prachi Jain Windlass	3	0.00%	3	0.00%	-	0.00%
Promotors Group Shareholding						
AKW WBL Family Private Trust	8,381,340	40.05%	8,381,340	38.46%	-	1.59%
	13,065,352	**62.43%**	**13,065,352**	**59.95%**	**-**	**2.48%**

(g) ESOP: Shares reserved for issue under options

During the year ended March 31, 2022, the Company has instituted "Windlas Biotech Limited - Employee Stock Option Plan 2021" ('ESOP Scheme 2021') pursuant to the approval of Board of Directors of the company as on April 16, 2021 and the Shareholders of the Company as on April 17, 2021.The maximum number of shares that may be issued pursuant to the scheme shall not exceed 546,222 shares. Out of 546,222 shares, 4,19,439 shares were granted on June 03, 2021 (grant date) to the eligible employees.

(h) Sub-Division: Sub-division of equity shares

During the year ended March 31, 2022, the equity shares of the Company having the face value of ₹ 10 (Rupees ten only) each were subdivided into 2 (two) equity shares having a face value of ₹ 5 (Rupees Five only) each. Accordingly 6,411,063 equity shares of face value of ₹ 10 each were sub divided into 12,822,126 equity shares of face value of ₹ 5 each.

(i) Bonus: Issue of Bonus Shares

During the year ended March 31, 2022, pursuant to Section 63 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, proposed that a sum of ₹ 26.93 millions be capitalized as Bonus Equity shares out of free reserves and surplus, and distributed amongst the Equity Shareholders by issue of 5,385,293 Equity shares of ₹ 5/- each credited as fully paid to the Equity Shareholders in the proportion of 4.2 (Four point two) Equity share for every 10 (Ten) Equity shares. In the preceding 5 years, there was no other Bonus issue and/or issue of shares other than for cash considerations.

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

17 OTHER EQUITY

	As at March 31, 2023	As at March 31, 2022
Security Premium		
Balance as per last Balance Sheet	2,269.47	754.91
Less Utilised for issue of Bonus shares	-	(26.93)
Add: Created from fresh issue of Equity shares	-	1,632.08
Less: Utilised for share issue expenses	(11.37)	(90.59)
Less: Transferred to Capital Redemption Reserve	(4.34)	-
Less: Buy Back of Shares	(213.64)	-
Less: Buy Back Tax	(49.76)	-
Less: Buy Back Expense	(4.18)	-
Balance as at the year end	**1,986.18**	**2,269.47**
General reserve		
Balance as per last Balance Sheet	136.25	136.25
Add: Additions during the year	-	-
Less: Utilized during the year	-	-
Balance as at the year end	**136.25**	**136.25**
Capital Redemption Reserve		
Balance as per last Balance Sheet	-	-
Add: Additions during the year	4.34	-
Less: Utilized during the year	-	-
Less: Deduction during the year	-	-
Balance as at the year end	**4.34**	**-**
ESOP reserve		
Balance as per last Balance Sheet	18.13	-
Add: Additions during the year	10.08	18.13
Less: Utilized during the year	-	-
Less: Deduction during the year	-	-
Balance as at the year end	**28.21**	**18.13**
Foreign Currency Translation Reserve		
Balance as per last Balance Sheet	(0.09)	(0.03)
Add: Additions during the year	(0.27)	(0.06)
Less: Deduction during the year	-	-
Balance as at the year end	**(0.36)**	**(0.09)**
Retained Earnings		
Balance as per last Balance Sheet	1,415.04	1,035.95
Add: Profit for the year	426.26	380.89
Add: Other comprehensive income (Net of tax)	(1.56)	(1.80)
Less: Dividend Paid	(76.28)	-
Balance as at the end of the year	**1,763.46**	**1,415.04**
Total	**3,918.08**	**3,838.81**

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

Nature and Purpose of Reserves

Security Premium

Securities Premium is credited when shares are issued at premium. It is utilized in accordance with the provisions of Act, to issue bonus shares, to provide for premium on redemption of shares, write-off equity related expenses like underwriting cost etc.

General reserve

General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividend, issue of bonus shares and fully / partly paid-up equity shares.

ESOP reserve

Share based payment reserve is used to recognise the value of equity settled share based payments provided to employees as a part of their remuneration.

Retained Earnings

Retained Earnings represents undistributed profit of the company which can be distributed to its Equity Share holders in accordance with requirements of Companies Act, 2013.

Capital Redemption Reserve

Capital redemption reserve is a reserve created on buy-back of equity shares in accordance with section 69 of the Companies Act, 2013. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

Foreign Currency Translation Reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Rupees) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation

18 BORROWINGS

	Non Current	
	As at March 31, 2023	As at March 31, 2022
Term loans- Secured		
Loan from banks	4.44	8.08
Less: Current maturities of long-term debt (Refer Note: 22)	(3.35)	(3.64)
Loan from banks	1.09	4.44
Total	**1.09**	**4.44**

A. Terms of Loans taken

(i) Loan from SIDBI Bank amounting to ₹ 2.23 millions (March 31, 2022: ₹ 4.75 millions) carrying interest rate of 8.09% is outstanding as on March 31, 2023 and is repayable in 11 monthly instalments. The loan is secured by (A) First charge by the way of hypothecation on the MFAs of the company situated at Plot No. 40/1, Mohabewala Industrial Area, Dehradun, Uttarakhand 248110 & khasra no. 141KHA, khasra no. 142KHA, 143KA, 145KHA, 145GA at Mohabewala

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

industrial area, Dehradun, Uttarakhand. proposed to be acquired out of the present assistance. (B) Extension of first charge by the way of Hypothecation of all movable assets including the movables, plant & machinery, spares, tools & accessories, office equipment, computers, furniture, already acquired out of earlier Term Loan assistances located at Kh no. 141KHA, 142 KHA, 143KHA, 145KHA, 145GA Mohabewala Industrial Area, District & Taluka: Dehradun Uttarakhand. (C) Personal Guarantee of Mr. Ashok Kumar Windlass, Mr. Hitesh Windlass and Mr. Manoj Kumar Windlass.

(ii) Loan from SIDBI Bank amounting to ₹ 2.21 millions (March 31, 2022: ₹ 3.33 millions) carrying interest rate of 5% (fixed) per annum,with monthly rest,on the principal amount of the loan outstanding as on March 31, 2023 and is repayable in 24 monthly instalments. The loan is secured by (A) Extension of first charge by the way of Hypothecation on Plant & Machinery / Misc. Fixed Assets, acquired from earlier SIDBI Term Loan installed at Plot No. 40/1, Mohabewala Industrial Area, Dehradun-248110. (B) Personal Guarantee of Mr. Ashok Kumar Windlass, Mr. Hitesh Windlass and Mr. Manoj Kumar Windlass.

19 (a) LEASE LIABILITY

	Non Current	
	As at March 31, 2023	As at March 31, 2022
Lease liability	30.17	-
Total	**30.17**	**-**

19 (b) LEASE LIABILITY

	Current	
	As at March 31, 2023	As at March 31, 2022
Lease liability	15.32	5.16
Total	**15.32**	**5.16**

(i) The carrying amounts of lease liabilities and the movements during the period/ year:

Particulars	As at March 31, 2023	As at March 31, 2022
At the beginning of the year	5.16	10.33
Addition during the year	53.50	-
Accretion of interest	2.25	0.70
Payments	(15.42)	(5.87)
At the end of the year	**45.49**	**5.16**

(ii) The following are the amounts recognised in profit or loss:

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation expense of right-of-use assets	13.48	6.54
Interest expense on lease liabilities	2.25	0.70

(iii) The total amount of cash flows on account of lease liabilities for the year has been disclosed in standalone cash flow statement.

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

20 (a) OTHER FINANCIAL LIABILITIES

	Non Current	
	As at March 31, 2023	As at March 31, 2022
Security Deposits	3.18	2.38
Total	**3.18**	**2.38**

20 (b) OTHER FINANCIAL LIABILITIES

	Current	
	As at March 31, 2023	As at March 31, 2022
Interest Accrued but not due on loans	0.02	0.03
Capital creditors	7.27	8.86
Security Deposits	0.89	0.90
Employee Related Payables	85.02	58.59
Accrued Expenses	171.22	158.89
Others	0.05	-
Total	**264.47**	**227.27**

21 (a) PROVISIONS

	Non Current	
	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Provision for compensated absences	20.18	15.66
	20.18	**15.66**

21 (b) PROVISIONS

	Current	
	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Provision for compensated absences	4.48	3.30
	4.48	**3.30**

22 BORROWINGS

	Current	
	As at March 31, 2023	As at March 31, 2022
Loans Repayable on Demand (Secured)		
Loan from banks	-	53.13
Current maturities of long-term debt (Refer Note: 18)	3.35	3.64
Total	**3.35**	**56.77**

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

Terms of loan taken

(i) 'Working capital loans are secured by way of first pari passu charge on the current assets by hypothecation of stocks of raw materials, finished and semi finished goods, stores and spares, bills receivable, book debts and all other movable current assets of the Company both present and future, and additionally secured by way of charge on several fixed assets of the Company and Personal Guarantee of Mr. Ashok Kumar Windlass, Mr. Hitesh Windlass and Mr. Manoj Kumar Windlass.

23 TRADE PAYABLE

	As at March 31, 2023	As at March 31, 2022
(a) total outstanding dues of micro enterprises and small enterprises (refer note 39)	33.71	47.82
(b) total outstanding dues for creditors other than micro enterprises and small enterprises	843.72	584.50
Total	**877.43**	**632.31**

23 (i) Classification and aging of Trade payables As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					
	Not due	< 1 year	1-2 years	2-3 years	> 3 years	Total
(i) MSME	33.71	-	-	-	-	**33.71**
(ii) Others	602.17	230.91	-	10.64	-	**843.72**
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
Total Payables	**635.88**	**230.91**	**-**	**10.64**	**-**	**877.43**

23 (ii) Classification and aging of Trade payables As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					
	Not due	< 1 year	1-2 years	2-3 years	> 3 years	Total
(i) MSME	47.81	-	-	-	-	**47.82**
(ii) Others	479.86	92.69	11.95	-	-	**584.50**
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
Total Payables	**527.67**	**92.69**	**11.95**	**-**	**-**	**632.32**

24 OTHER CURRENT LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Advances from Customers	20.07	7.30
Payable to Statutory Authorities	21.39	7.74
Total	**41.46**	**15.04**

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

25 CURRENT TAX LIABILITES (NET)

	As at March 31, 2023	As at March 31, 2022
Provision for income-tax	5.91	-
Total	**5.91**	**-**

26 REVENUE FROM OPERATIONS

	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from contract with customers		
Sale of Products	4,887.68	4,405.01
Export Sales	198.43	209.35
Sale of services	19.70	19.37
Other Operating Revenues:		
Scrap Sales	2.98	8.81
Export Incentives	6.21	13.10
Other operating Income	15.83	3.66
Total	**5,130.83**	**4,659.30**
Timing of revenue recognition		
Goods transferred at a point in time	5,086.11	4,614.36
Services transferred over the time	19.70	19.37
Total revenue from contract with customers	**5,105.81**	**4,633.73**
Revenue by location of customers		
India	4,907.38	4,424.38
Outside India	198.43	209.35
Total revenue from contract with customers	**5,105.81**	**4,633.73**
Reconciliation of revenue recognised in statement of profit and loss with contracted price		
Revenue as per contracted price	5,105.81	4,633.73
Less: adjustment on account of price variation	-	-
Less: Turnover discount	-	-
	5,105.81	**4,633.73**

Performance obligation

Sale of products: Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods. {refer accounting policy 2.13}.

Sales of services: The performance obligation in respect of Software development services and Engineering services is recognised over time, since the customer simultaneously receives and consumes the benefits provided by the Company.{refer accounting policy 2.13}. There is no remaining performance obligation (unsatisfied performance obligation) pertaining to sale of services as at March 31, 2023 and March 31, 2022.

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

27 OTHER INCOME

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income on:		
- financial assets measured at amortised cost	1.41	2.15
- fixed Deposit	33.49	40.70
Net Gain on foreign currency transactions and translation	3.82	4.77
Gain on Investments measured at FVTPL*	47.82	18.57
Miscellaneous income	4.35	0.77
Gain on sale of property, plant and equipment	8.76	0.10
Total	**99.65**	**67.06**

* Gain on investment at FVTPL includes actual gain on sale of investment of ₹ 17.25 millions and ₹ 1.33 millions during the year ended March 31, 2023, March 31, 2022 respectively.

28 COST OF MATERIAL CONSUMED

	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw material , Packing material and Consumables		
Inventories at the beginning of the year	389.85	264.79
Add: Purchases	3,414.76	3,200.64
	3,804.61	**3,465.43**
Less: Inventories at the end of year	397.47	389.85
	3,407.14	**3,075.58**
Total	**3,407.14**	**3,075.58**
Opening Stock of Consumables	40.73	15.04
Add: Purchases of Consumables	240.11	147.26
Less: Closing Stock of Consumables	15.42	40.73
Total consumption of consumables	**265.42**	**121.57**
Material Consumed Comprises of:		
Raw Material/Chemical and Packing Material	3,141.72	2,954.01
Consumables	265.42	121.57
Total	**3,407.14**	**3,075.58**

29 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the beginning of the year		
Finished Goods	130.89	64.37
Work in Progress	66.35	85.45
Total (A)	**197.24**	**149.82**
Less: Inventories at the end of year		
Finished Goods	170.39	130.89
Work in Progress	179.52	66.35
Total(B)	**349.91**	**197.24**
Total (A-B)	**(152.67)**	**(47.42)**

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

30 EMPLOYEE BENEFIT EXPENSES

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	656.89	581.81
Gratuity expense (refer note 40)	6.34	5.64
Contribution to provident and other funds (refer note 40)	25.17	24.51
Staff welfare expenses	4.73	3.99
ESOP Expenses	10.08	18.13
Total	**703.21**	**634.08**

31 FINANCE COST

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on		
-term loans and vehicle loans	0.41	7.01
-working capital loans	5.06	5.20
-lease liability	2.25	0.70
-Other borrowing cost	0.16	1.26
Total	**7.88**	**14.17**

32 DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment (refer note 3)	108.18	112.72
Depreciation on right-of-use asset (refer note 5)	13.48	6.54
Amortisation of intangible assets [refer note 6(a)]	1.98	2.21
Total	**123.64**	**121.47**

33 OTHER EXPENSES

	For the year ended March 31, 2023	For the year ended March 31, 2022
Power & fuel	129.03	110.10
Repairs		
-Buildings	11.42	19.64
-Machinery	20.64	21.06
-Others	9.23	9.82
Insurance	7.90	9.78
Rates and Taxes	10.86	11.61
Security expenses	13.18	11.58
Traveling Expenses	17.93	9.69
Legal and Professional Fees	28.79	34.48

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Auditor Remuneration (refer Note 34)	3.43	3.43
Commission on sales	71.27	49.48
Freight and carriage	44.98	38.94
Advertisement and Publicity	29.75	18.40
Research & Development Expenses (refer note 35)	89.48	65.11
Corporate social responsibility expenses (refer note 37)	8.39	7.41
Donations	0.52	0.41
Lab Testing Expenses	13.49	8.18
Assets written off	0.08	-
Printing and Stationery	9.83	7.38
Recruitment Expenses	1.62	2.00
Balance Written Off	0.54	3.13
Rent*	3.92	4.38
Provision for doubtful debts	22.75	3.48
Calibration Expenses	2.92	2.34
Miscellaneous Expenses	18.94	21.00
Total	**570.89**	**472.83**

* Rent expense related to short term leases. (Also refer note 42)

34 AUDITOR'S REMUNERATION*

	For the year ended March 31, 2023	For the year ended March 31, 2022
Statutory Audit Fees	2.40	2.40
Limited Review Fees	0.75	0.75
Certification Fees	0.28	0.28
Total	**3.43**	**3.43**

*It does not includes amount of ₹ 0.48 million towards buyback certification services (March 31, 2022 : ₹ 3.0 million towards services in relation to IPO) which has not been charged to Statement of Profit & Loss and has been adjusted from Securities Premium in proportion of shares being offered or fresh shares issued.

35 RESEARCH AND DEVELOPMENT EXPENSES

	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue expenditure		
Employee benefit expenses	34.86	27.83
Raw & Packing Materials Consumed	54.62	37.28
Total	**89.48**	**65.11**

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

36 EARNINGS PER SHARE

	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit for the period/ year attributable to shareholders (A)	426.26	380.89
Original number of equity shares	21,794,375	6,411,063
Impact of share split (each share of face value ₹ 10 split into two shares of face value of ₹ 5 each)	-	6,411,063
Impact of bonus issue (allotment of 5,385,293 bonus shares at face value of ₹ 5 each)	-	5,385,293
Impact of fresh issue of Equity shares in IPO	-	3,586,956
Impact of Buy-back of Shares (Buy back of 867,747 shares of face value of ₹ 5 each)	867,747	-
Weighted Average number of Equity Shares post Split, Bonus, Buyback and Fresh issue used as denominator in calculating Basic Earnings Per Share (B)*	21,635,920	20,497,174
Impact of Potetial diluted Equity Shares**	-	-
'Weighted Average number of Equity Shares post Split, Bonus, Buyback and fresh issue used as denominator in calculating Diluted Earnings Per Share (C)*	21,635,920	20,497,174
Basic earnings per share (in ₹) (A/B)	19.70	18.58
Diluted earnings per share (in ₹) (A/C)	19.70	18.58

*The weighted average no. of ordinary equity shares used in computing basic & diluted EPS are after considering the impact of buyback of shares in accordance with requirement of Ind AS 33 Earnings Per Share.

**There are no potential equity shares arising due to ESOP, therefore there will be no impact of potential equity shares.

37 CORPORATE SOCIAL RESPONSIBILITY EXPENSES

	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Gross amount required to be spent by the Company during the year	8.04	7.40
b) Gross amount provided for CSR activities	8.39	7.41
c) Shortfall at the end of year	Nil	Nil
d) Total of previous year shortfall	Nil	Nil
e) Reason for Shortfall	N.A.	N.A.
f) Nature of CSR Activities (Other than on-going projects)		
Promoting health care including preventinve health care	4.16	7.20
Promoting Education	-	0.21
Animal Welfare & Environmental Sustainability	2.35	-
Skill Development & Promoting Education	1.88	-
g) Details of Related party Transactions	Nil	Nil
Total amount spent during the period/ year	**8.39**	**7.41**

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

38 SEGMENT INFORMATION

Segments are identified in line with Ind AS-108, "Operating Segment" [specified under the section 133 of the Companies Act 2013 (the Act)] read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act, taking into consideration the internal organisation and management structure as well as differential risk and return of the segment. Based on above, the Group has identified "Pharmaceutical" as the only primary reportable segment. The Group does not have any geographical segment. Hence no separate disclosures are provided in these consolidated financial statements. The company has a susbidiary incorporated outside India which is not material for the group.

39 DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MICRO SMALL AND MEDIUM ENTERPRISE DEVELOPMENT ACT, 2006

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended/period is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	As at March 31, 2023	As at March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
- Principal amount due to micro and small enterprises	33.71	47.82
- Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

40 GRATUITY AND OTHER POST EMPLOYMENT BENEFITS

Disclosures pursuant to Ind AS - 19 "Employee Benefits"(notified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rules 2015 (as amended from time to time) and other relevant provision of the Act) are given below :

(i) Defined Contribution Plans

The Company makes payment to statutory funds in accordance with the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employees State Insurance Act, 1948 which

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

are defined contribution plans. The Company's contribution paid/payable under the schemes is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The amount recognised in Statement of Profit and loss is ₹ 25.17 millions (March 31, 2022: ₹ 24.51 millions).

(ii) Defined Benefit Plan - Gratuity

a. The principal actuarial assumptions used for determining liability for gratuity are as follows:

	As at March 31, 2023	As at March 31, 2022
Economic assumptions:		
Discount rate	7.36%	6.81%
Expected rate of return on plan asset	6.81%	6.41%
Salary escalation rate	6%	4.50% for first year, 5.00% for second year & 5.25% thereafter
Demographic assumptions:		
Retirement age	58 years	58 years
Mortality rate	100% of IALM (2012-14)	100% of IALM (2012-14)
Withdrawal rate	12%	11.25% to 12%

		As at March 31, 2023	As at March 31, 2022
I	**Change in present value of defined benefit during the year**		
	1 Present value of defined benefit at the beginning of the year	37.35	29.75
	2 Service Cost	6.57	5.69
	3 Interest Cost	2.54	1.91
	4 Net Actuarial (Gain)/Loss		
	Actuarial changes arising from changes in demographic assumptions	(0.08)	-
	Actuarial changes arising from changes in Financial assumptions	0.83	(0.79)
	Actuarial changes arising from changes in experience assumptions	1.41	2.97
	5 Benefits Paid	(1.83)	(2.18)
	6 Liability Transfer In/(Out)	-	-
	7 Present Value of obligation as at year-end	46.79	37.35

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

		As at March 31, 2023	As at March 31, 2022
II	**Change in Fair Value of Plan Assets during the year**		
	1 Plan assets at the beginning of the year	40.76	30.55
	2 Expected return on plan assets	2.78	1.96
	3 Actuarial Gain/(Loss) on plan assets	0.08	(0.24)
	4 Employer's contribution	6.57	10.67
	5 Benefits paid	(1.83)	(2.18)
	6 Plan assets at the end of the year	48.35	40.76
III	**Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets**		
	1 Present Value of obligation as at year-end	46.79	37.35
	2 Fair value of plan assets at year -end	48.35	40.76
	3 Funded status {Surplus/(Deficit)}	1.56	3.41
	4 Net Asset/(Liability)	1.56	3.41
IV	**Expenses recognised in the Statement of Profit and Loss**		
	1 Current Service Cost	6.57	5.69
	2 Net Interest Cost	(0.23)	(0.05)
	3 Total Expense	6.34	5.64
V	**Other Comprehensive Income**		
	1 Actuarial gain(Loss) on Liabilities	(2.17)	(2.17)
	2 Actuarial gain(Loss) on Assets	0.08	(0.24)
	3 Closing Amount recognised in OCI outside PL Account	(2.09)	(2.41)
VI	**Bifurcation of PBO at the end of the year / period**		
	1 Current Liability	8.90	6.86
	2 Non-Current Liability	37.89	30.49

VII Risk exposure

Through its defined benefit obligation, the Company is exposed to a number of risks, the most significant of which are detailed below:

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

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

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

Mortality & disability - Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

VIII Investment Details

The management of 100% of the gratuity funds is entrusted with the Life Insurance Corporation of India.

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

IX The sensitivity analysis of the defined benefit obligation based on changes in significant assumptions is provided in following table:

	As at March 31, 2023	As at March 31, 2022
A. Impact of change in discount rate-		
Present value of obligation at the end of the year	46.79	37.35
Impact due to increase of 0.50%	(1.16)	(0.95)
Impact due to decrease of 0.50%	1.22	1.00
B. Impact of change in future salary-		
Present value of obligation at the end of the year	46.79	37.35
Impact due to increase of 1.00%	2.44	2.04
Impact due to decrease of 1.00%	(2.26)	(1.86)
C. Impact of change in withdrawal rate-		
Present value of obligation at the end of the year	46.79	37.35
Impact due to increase of 5.00%	(0.08)	(0.03)
Impact due to decrease of 5.00%	(0.46)	(0.44)

X **Expected benefit payments**

	As at March 31, 2023	As at March 31, 2022
Year 1	9.18	7.07
Year 2	4.63	3.40
Year 3	5.11	4.17
Year 4	5.23	4.01
Year 5	5.00	3.98
After 5th year	45.81	35.29

41 RELATED PARTY DISCLOSURES

A. Names of related parties and nature of relationship :

a) Key managerial personnel:

S.No.	Relationship	Name
(i)	Whole Time Director	Mr. Ashok Kumar Windlass
(ii)	Managing Director	Mr. Hitesh Windlass
(iii)	Joint Managing Director	Mr. Manoj Kumar Windlass
(iv)	Executive Director	Mr. Pawan Kumar Sharma
(v)	Non Executive Director	Ms. Prachi Jain Windlass
(vi)	Chief Executive Officer (w.e.f. February 8, 2023) / Chief Financial Officer	Ms. Komal Gupta
(vii)	Company Secretary	Mr Ananta Narayan Panda
(viii)	Independent Director	Mr. Gaurav Gulati
(ix)	Independent Director	Mr. Vivek Dhariwal
(x)	Independent Director	Mr. Srinivasan Venkataraman

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

b) Relative of Key Managerial Personnel with whom transaction have taken place:

S.No.	Relationship	Name
(i)	Wife of Mr. Ashok Kumar Windlass	Mrs. Vimla Windlass

c) Companies with Interest by Key Managerial Personnel:

S.No.	Relationship	Name
(i)	Interest by Key Managerial Personnel	Wintech Eco Solutions Private Limited
(ii)	Interest by Key Managerial Personnel	AKW WBL Family Private Trust

d) Transactions with related parties are as follows:

S. No.	Nature of transaction	Year ended	Key Managerial Personnel	Companies with Interest by Key Managerial Personnel	Total
(i)	**Rent & Power Cost**				
	Mr. Ashok Kumar Windlass	March 31, 2023	1.96	-	1.96
	Mr. Hitesh Windlass	March 31, 2023	1.96	-	1.96
	Mr. Manoj Kumar Windlass	March 31, 2023	1.96	-	1.96
	Mr. Ashok Kumar Windlass	March 31, 2022	1.96	-	1.96
	Mr. Hitesh Windlass	March 31, 2022	1.96	-	1.96
	Mr. Manoj Kumar Windlass	March 31, 2022	1.96	-	1.96
(ii)	**Salary, allowances and bonus**	-			
	Mr. Ashok Kumar Windlass	March 31, 2023	15.60	-	15.60
	Mr. Hitesh Windlass	March 31, 2023	8.70	-	8.70
	Mr. Manoj Kumar Windlass	March 31, 2023	8.70	-	8.70
	Mr. Pawan Kumar Sharma	March 31, 2023	4.61	-	4.61
	Ms. Komal Gupta	March 31, 2023	9.42	-	9.42
	Mr. Ananta Narayan Panda	March 31, 2023	2.25	-	2.25
	Mr. Ashok Kumar Windlass	March 31, 2022	15.60	-	15.60
	Mr. Hitesh Windlass	March 31, 2022	8.69	-	8.69
	Mr. Manoj Kumar Windlass	March 31, 2022	8.59	-	8.59
	Mr. Pawan Kumar Sharma	March 31, 2022	4.07	-	4.07
	Ms. Komal Gupta	March 31, 2022	8.52	-	8.52
	Mr.Ananta Narayan Panda	March 31, 2022	1.92	-	1.92
(iii)	**Commission on Profit**				
	Mr. Hitesh Windlass	March 31, 2023	6.00	-	6.00
	Mr. Manoj Kumar Windlass	March 31, 2023	6.00	-	6.00
	Mr. Hitesh Windlass	March 31, 2022	-	-	-
	Mr. Manoj Kumar Windlass	March 31, 2022	-	-	-
(iv)	**Security Deposit refund.**				
	Mr. Ashok Kumar Windlass	March 31, 2023	1.77	-	1.77
	Mr. Hitesh Windlass	March 31, 2023	1.77	-	1.77
	Mr. Manoj Kumar Windlass	March 31, 2023	1.77	-	1.77
	Mr. Ashok Kumar Windlass	March 31, 2022	1.17	-	1.17
	Mr. Hitesh Windlass	March 31, 2022	1.17	-	1.17
	Mr. Manoj Kumar Windlass	March 31, 2022	1.17	-	1.17

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

S. No.	Nature of transaction	Year ended	Key Managerial Personnel	Companies with Interest by Key Managerial Personnel	Total
(v)	**Dividend Paid**				
	Mr. Ashok Windlass	March 31, 2023	15.40	-	15.40
	Mr. Hitesh Windlass	March 31, 2023	0.00	-	0.00
	Mr. Manoj Windlass	March 31, 2023	0.00	-	0.00
	Mrs.Prachi Jain Windlass	March 31, 2023	0.00	-	0.00
	Mrs. Vimla Windlass	March 31, 2023	0.99	-	0.99
	AKW WBL Family Private Trust	March 31, 2023	29.33	-	29.33
	Mr. Ashok Windlass	March 31, 2022	-	-	-
	Mr. Hitesh Windlass	March 31, 2022	-	-	-
	Mr. Manoj Windlass	March 31, 2022	-	-	-
	Mrs.Prachi Jain Windlass	March 31, 2022	-	-	-
	Mrs. Vimla Windlass	March 31, 2022	-	-	-
	AKW WBL Family Private Trust	March 31, 2022	-	-	-
(vi)	**Director Sitting Fees**				
	Mr. Gaurav Gulati	March 31, 2023	0.55	-	0.55
	Mr. Vivek Dhariwal	March 31, 2023	0.31	-	0.31
	Mr. Srinivasan Venkataraman	March 31, 2023	0.41	-	0.41
	Mr. Gaurav Gulati	March 31, 2022	0.60	-	0.60
	Mr. Vivek Dhariwal	March 31, 2022	0.42	-	0.42
	Mr. Srinivasan Venkataraman	March 31, 2022	0.53	-	0.53

e) Balances outstanding are as follows:

S. No.	Nature of transaction	Year ended	Key Managerial Personnel	Companies with Interest by Key Managerial Personnel	Total
(i)	**Security deposit**				
	Mr. Ashok Kumar Windlass	March 31, 2023	3.73	-	3.73
	Mr. Hitesh Windlass	March 31, 2023	3.73	-	3.73
	Mr. Manoj Kumar Windlass	March 31, 2023	3.73	-	3.73
	Mr. Ashok Kumar Windlass	March 31, 2022	5.50	-	5.50
	Mr. Hitesh Windlass	March 31, 2022	5.50	-	5.50
	Mr. Manoj Kumar Windlass	March 31, 2022	5.50	-	5.50
(ii)	**Salary Payable**				
	Mr. Ashok Kumar Windlass	March 31, 2023	1.30	-	1.30
	Mr. Hitesh Windlass	March 31, 2023	0.73	-	0.73
	Mr. Manoj Kumar Windlass	March 31, 2023	0.73	-	0.73
	Mr. Pawan Kumar Sharma	March 31, 2023	0.38	-	0.38
	Ms. Komal Gupta	March 31, 2023	0.78	-	0.78
	Mr. Ananta Narayan Panda	March 31, 2023	0.19	-	0.19
	Mr. Ashok Kumar Windlass	March 31, 2022	1.30	-	1.30
	Mr. Hitesh Windlass	March 31, 2022	0.72	-	0.72
	Mr. Manoj Kumar Windlass	March 31, 2022	0.72	-	0.72
	Mr. Pawan Kumar Sharma	March 31, 2022	0.34	-	0.34
	Ms. Komal Gupta	March 31, 2022	0.56	-	0.56
	Mr. Ananta Narayan Panda	March 31, 2022	0.15	-	0.15

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

S. No.	Nature of transaction	Year ended	Key Managerial Personnel	Companies with Interest by Key Managerial Personnel	Total
(iii)	**Rent Payable**				
	Mr. Ashok Kumar Windlass	March 31, 2023	0.16	-	0.16
	Mr. Hitesh Windlass	March 31, 2023	0.16	-	0.16
	Mr. Manoj Kumar Windlass	March 31, 2023	0.16	-	0.16
	Mr. Ashok Kumar Windlass	March 31, 2022	0.16	-	0.16
	Mr. Hitesh Windlass	March 31, 2022	0.16	-	0.16
	Mr. Manoj Kumar Windlass	March 31, 2022	0.16	-	0.16
(iv)	**Commission on Profit Payable**				
	Mr. Hitesh Windlass	March 31, 2023	6.00	-	6.00
	Mr. Manoj Kumar Windlass	March 31, 2023	6.00	-	6.00
	Mr. Hitesh Windlass	March 31, 2022	-	-	-
	Mr. Manoj Kumar Windlass	March 31, 2022	-	-	-

Note:

(i) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period end/ year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

42 SHORT TERM LEASES

Short term leases are mainly in the nature of premises and godowns and are renewable /cancellable at the option of either of the party. The aggregate amount of short term lease payment recognised in the statement of Profit and Loss account is March 31, 2023: ₹ 3.92 millions, March 31, 2022: ₹ 4.38 millions.

43 FAIR VALUE MEASUREMENT

A. Financial instruments by category

	March 31, 2023			March 31, 2022		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
(a) Investment	1,065.14	-	-	648.24	-	-
(b) Cash and cash equivalents	-	-	36.86	-	-	5.70
(c) Bank balances Other then Cash and cash equivalents	-	-	217.68	-	-	1,132.53
(d) Trade Receivables	-	-	1,168.60	-	-	1,107.72
(e) Other financial assets	-	-	91.05	-	-	93.33
Total	**1,065.14**	**-**	**1,514.19**	**648.24**	**-**	**2,339.28**
Financial liabilities						
(a) Borrowings	-	-	4.44	-	-	61.21
(b) Lease liability	-	-	45.49	-	-	5.16
(c) Trade payables	-	-	877.43	-	-	632.32
(d) Other financial liabilities	-	-	267.65	-	-	229.65
Total	**-**	**-**	**1,195.01**	**-**	**-**	**928.34**

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

B. Fair Value Hierarchy

Assets and liabilities measured at amortised cost for which fair value are disclosed as at March 31, 2023

	March 31, 2023				
	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
(a) Investment	9	1,065.14	-	-	1,065.14
(b) Cash and cash equivalents	14	-	-	36.86	36.86
(c) Bank balances Other then Cash and cash equivalents	15	-	-	217.68	217.68
(d) Trade Receivables	13	-	-	1,168.60	1,168.60
(e) Other financial assets	10	-	-	91.05	91.05
Total		**1,065.14**	**-**	**1,514.19**	**2,579.33**
Financial liabilities					
(a) Borrowings	18	-	-	4.44	4.44
(b) Lease liability	19	-	-	45.49	45.49
(c) Trade payables	23	-	-	877.43	877.43
(d) Other financial liabilities	20	-	-	267.65	267.65
Total		**-**	**-**	**1,195.01**	**1,195.01**

Assets and liabilities measured at amortised cost for which fair value are disclosed as at March 31, 2022

	March 31, 2022				
	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
(a) Investment	9	648.24	-	-	648.24
(b) Cash and cash equivalents	14	-	-	5.70	5.70
(c) Bank balances Other then Cash and cash equivalents	15	-	-	1,132.53	1,132.53
(d) Trade Receivables	13	-	-	1,107.72	1,107.72
(e) Other financial assets	10	-	-	93.33	93.33
Total		**648.24**	**-**	**2,339.28**	**2,987.52**
Financial liabilities					
(a) Borrowings	18	-	-	61.21	61.21
(b) Lease liability	19	-	-	5.16	5.16
(c) Trade payables	23	-	-	632.32	632.32
(d) Other financial liabilities	20	-	-	229.65	229.65
Total		**-**	**-**	**928.34**	**928.34**

All financial instruments for which fair value is recognized or disclosed 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;

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

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

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

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

During the year, there were no transfers between Level 1 and Level 2, and no transfers into and out of Level 3 fair value measurements.

The Group's policy is to recognise transfers into and transfer out of fair value hierarchy levels as at the end of the reporting period.

C. Accounting classification and fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments.

	Carrying value		Fair value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Financial assets				
(a) Investment	1,065.14	648.24	1,065.14	648.24
(b) Cash and cash equivalents	36.86	5.70	36.86	5.70
(c) Bank balances Other then Cash and cash equivalents	217.68	1,132.53	217.68	1,132.53
(d) Trade Receivables	1,168.60	1,107.72	1,168.60	1,107.72
(e) Other financial assets	91.05	93.33	91.05	93.33
Total	**2,579.33**	**2,987.52**	**2,579.33**	**2,987.52**
Financial liabilities				
(a) Borrowings	4.44	61.21	4.44	61.21
(b) Lease liability	45.49	5.16	45.49	5.16
(c) Trade payables	877.43	632.32	877.43	632.32
(d) Other financial liabilities	267.65	229.65	267.65	229.65
Total	**1,195.01**	**928.34**	**1,195.01**	**928.34**

The carrying amount of financial instruments such as cash and cash equivalents, other bank balances, trade payables, and other current financial assets and liabilities are considered to be same as their fair value due to their short term nature. The carrying amount of borrowings are considered to be same as their fair value since it comprises the working capital loan and bank overdraft which are short term in nature.

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

D. Valuation technique used to determine fair value

The fair value of security deposits were calculated based on discounted cash flows using current lending rate. The fair value of other financial instruments viz. cash and cash equivalents, borrowings, trade payables and other financial assets and liabilities are considered to be same as their carrying value due to their short term nature.

E. Valuation process

A team in the finance department of the Company performs the valuations of financial assets and liabilities required for financial reporting purposes including level 3 fair values. It directly reports to the Chief Financial Officer (CFO). Discussions of valuation processes and results are held between the CFO and valuation team on periodic basis in line with the Company's reporting period for reporting to holding company.

The level 3 input for security deposits is derived at using the current lending rate of Company's borrowings.

Changes in level 2 and level 3 fair values, if any, are analysed at the end of the reporting period and reasons for such movements are provided by the valuation team.

44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables etc. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents, other bank balances, trade receivables, security deposits, etc. that derive directly from its operations.

The Company is exposed to credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The management is responsible for formulating an appropriate financial risk governance framework for the Company and for periodically reviewing the same. The senior management ensures that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below:

Risk	Exposure arising from	Measurement	Management
Market risk-interest rate	Borrowings	Sensitivity analysis	Mix of borrowings with fixed and floating interest rates
Market risk-foreign exchange	Recognised financial liabilities not denominated in INR	Sensitivity analysis	Foreign currency exposure is unhedged
Credit risk	Financial assets measured at amortised costs	Ageing analysis	Credit limits
Liquidity risk	Borrowings and other liabilities	Cash flow forecasting	Availability of committed credit lines and borrowing facilities

a. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises two types of risk: foreign currency risk and interest rate risk. Financial instruments affected by market risks include loans and borrowings, deposits and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at reporting date. The analysis excludes the impact of movement in market variables on the carrying values of gratuity and other post- retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

Loss items and equity is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2023 and March 31, 2022.

I. Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

(i) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹ 96.61 millions is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Financial liabilities		
Import Creditors		
USD	2.94	-
Advance from customer		
USD	0.55	-
Total	**3.49**	**-**
Financial assets		
Advance to Creditor		
USD	24.61	**-**
CHF	1.98	**-**
Export Debtors		
EURO	0.07	-
USD	66.20	45.29
EEFC Account		
USD	0.25	1.39
Total	**93.11**	**46.67**

(ii) Sensitivity analysis

The following table demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant:

	Impact on profit or loss	
	March 31, 2023	March 31, 2022
USD sensitivity		
INR/USD- increase by 5%	4.38	2.33
INR/USD- decrease by 5%	(4.38)	(2.33)
EURO sensitivity		
INR/EURO- increase by 5%	0.00	-
INR/EURO- decrease by 5%	(0.00)	-
CHF sensitivity		
INR/CHF- increase by 5%	0.10	-
INR/CHF- decrease by 5%	(0.10)	-

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

II. Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company does not enter into any interest rate swaps.

b. Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, security deposits and other financial instruments.

Credit risk management

Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

The Company provides for expected credit loss based on the following:

Asset company	Description	Provision for expected credit loss*
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	12 month expected credit loss/ life time expected credit loss
Moderate credit risk	Trade receivables, loans and other financial assets	12 month expected credit loss/ life time expected credit loss
High credit risk	Trade receivables, loans and other financial assets	Life time expected credit loss or fully provided for

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

* Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Trade receivables

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security. The Group's credit period generally ranges from 30-60 days or as per agreed contractual terms and conditions.

The ageing of trade receivables is given below:

	March 31, 2023	March 31, 2022
Neither past due nor impaired	546.32	599.80
Past due but not impaired		
-upto 90 days	582.85	441.85
-90-180 days	31.77	54.11
-More than 180 days	41.58	23.14
	1,202.52	**1,118.89**
Less: Allowance for expected credit losses	(33.92)	(11.17)
Total	**1,168.60**	**1,107.72**

Financial instruments and other deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at March 31, 2023 and March 31, 2022 is the carrying amounts.

c. **Liquidity Risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective at all times is to maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short- term bank deposits and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be low.

Contractual maturities of financial liabilities

	Less than 1 Year	1-5 Years	Above 5 years	Total
Non-derivatives				
As on March 31, 2023				
Borrowings	3.35	1.09	-	**4.44**
Trade and other payables	877.43	-	-	**877.43**
Lease liabilities	15.32	30.17	-	**45.49**
Other financial liabilities	264.47	3.18	-	**267.65**
Total Non-derivative liabilities	**1,160.57**	**34.44**	**-**	**1,195.01**

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

	Less than 1 Year	1-5 Years	Above 5 years	Total
As on March 31, 2022				
Borrowings	56.77	4.44	-	**61.21**
Trade and other payables	632.31	-	-	**632.31**
Lease liabilities	5.16	-	-	**5.16**
Other financial liabilities	227.27	2.38	-	**229.65**
Total Non-derivative liabilities	**921.51**	**6.82**	**-**	**928.33**

Capital management

The Company's objective when managing capital are to:

- safeguard it's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.- In order to maintain capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants consistent with others in the industry. The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company includes within net debt the loans and borrowing less cash and cash equivalents and bank balance other than cash and cash equivalent. Capital includes equity attributable to the owners of the Company.

	March 31, 2023	March 31, 2022
Borrowings (long-term and short term, including current maturities)- (Refer Note 18 & 22)	4.44	61.21
Less : Cash and cash equivalents and bank balance other than cash and cash equivalent- (Refer Note 15)	254.55	1,138.23
Net Debt (a)	**(250.11)**	**(1,077.02)**
Equity- (Refer Note 16)	104.63	108.97
Other equity- (Refer Note 17)	3,918.08	3,838.81
Total Equity (b)	**4,022.71**	**3,947.78**
Net debt to equity ratio (c=a/b)	**NA***	**NA***

* This ratio is not relevant for the current year as the cash and cash equivalents and bank & balances other the cash and cash equivalents exceeds borrowings.

45 DETAILS OF UTILILIZATION OF IPO MONEY

The Company has completed the Initial Public Offer ("IPO") of 8,729,023 Equity Shares of the face value of ₹ 5/- each at an issue price of ₹ 460/- per Equity Share, comprising offer for sale of 5,142,067 shares by Selling Shareholders and fresh issue of 3,586,956 shares. The Equity Shares of the Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on August 17, 2021.

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

The utilisation of the net IPO proceeds is summarised below:

Objects of the issue	Amount as per Prospectus	Revised Amt	Utilisation upto March 31, 2023	Un-Utilised Amount as at March 31, 2023
Capital expenditure towards expansion of manufacturing facility	500.00	500.00	500.00	-
To meet working capital requirement	475.62	475.62	475.62	-
Repayment/ Prepayment of certain of our borrrowings	200.00	200.00	200.00	-
General corporate purposes	346.03	355.10	355.10	-
Total	**1,521.65**	**1,530.72**	**1,530.72**	**-**

The total offer expenses are ₹ 247.26 million which are proportionately allocated between the selling shareholders and the Company as per respective offer size. The Company's share of these expenses is ₹ 101.96 millions which has been adjusted against securities premium.

46 BUYBACK OF SHARES

The Board of Directors of the company in their meeting held on November 08, 2022, has decided for Buy-back of Equity shares of Face Value ₹5 each for an amount not exceeding ₹ 250,000,000/- at a price not exceeding ₹ 325/- (Rupees Three Hundred and Twenty Five Only) per equity share ("Maximum Buy-back Price") payable in cash from the equity shareholders/ beneficial owners of the equity shares of the Company other than the Promoters, members of Promoter Group and persons in control of the Company ("Buyback Offer") from Open Market through Stock Exchange Mechanism in terms of the provisions of Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 ("Buyback Regulations").

The company had based on the above approval bought back 867,747 number of Equity share having face value of ₹ 5 each for an amount ₹ 217,966,267 at the average price of ₹ 251.19 from the open market till March 31, 2023.

The Company, completed the Buyback on May 03, 2023 by purchase of 995,800 equity shares aggregating to ₹ 250,039,654.15/- (excluding Transaction Costs) from the equity shareholders of the Company (other than the promoters, promoter group and persons in control of the Company) via the open market route. The amount utilised towards the Buyback exceeded by ₹ 39,654.15/- due to reasons beyond control, which is 0.0159% of the amount earmarked for the Buyback.The board has approved the total amount of buyback of ₹ 250,039,654.15/-

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

47 ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 2 OF DIVISION II OF SCHEDULE III TO THE COMPANIES ACT 2013 - 'GENERAL INSTRUCTIONS FOR THE PREPARATION OF RESTATED CONSOLIDATED FINANCIAL INFORMATION' OF DIVISION II OF SCHEDULE III.

As at March 31, 2023

Name of entity in the group	Net Assets (Total Assets - Total Liabilities)		Share in Profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Windlas Biotech Limited	100.08%	4,025.97	100.04%	426.44	100.00%	(1.83)	100.04%	424.61
Subsidiary								
Windlas Inc. (w.e.f. April 16, 2020)	-0.08%	(3.26)	-0.04%	(0.18)	-	-	-0.04%	(0.18)
Joint Venture								
US Pharma Windlas LLC (w.e.f. April 16, 2020)	-	-	-	-	-	-	-	-
Associates								
Windlas Inc. (upto April 16, 2020)	-	-	-	-	-	-	-	-
Non Controlling Interest	-	-	-	-	-	-	-	-
Elimination/Adjustments	-	-	-	-	-	-	-	-
Total	100.00%	4,022.71	100.00%	426.26	100.00%	(1.83)	100.00%	424.43
Consolidated net assets/ Profit/(loss) after tax								
Attributable to shareholder's of the company	100.00%	4,022.71	100.00%	426.26	100.00%	(1.83)	100.00%	424.43
Attributable to non-controlling interest	-	-	-	-	-	-	-	-

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

As at March 31, 2022

Name of entity in the group	Net Assets (Total Assets - Total Liabilities)		Share in Profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Windlas Biotech Limited	100.07%	3,950.59	101.25%	385.67	100.00%	(1.86)	101.26%	383.82
Subsidiary								
Windlas Inc. (w.e.f. April 16, 2020)	-0.07%	(2.81)	-1.25%	(4.78)	0.00%	-	-1.26%	(4.78)
Joint Venture								
US Pharma Windlas LLC (w.e.f. April 16, 2020)	-	-	-	-	-	-	-	-
Associates								
Windlas Inc. (upto April 16, 2020)	-	-	-	-	-	-	-	-
Non Controlling Interest	-	-	-	-	-	-	-	-
Elimination/Adjustments	-	-	-	-	-	-	-	-
Total	100.00%	3,947.78	100.00%	380.89	100.00%	(1.86)	100.00%	379.04
Consolidated net assets/ Profit/(loss) after tax								
Attributable to shareholder's of the company	100.00%	3,947.78	100.00%	380.89	100.00%	(1.86)	100.00%	379.04
Attributable to non-controlling interest	-	-	-	-	-	-	-	-

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

48 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

i. Contingent Liabilities

During the FY 2008-09 to FY 2012-13, the Company has deposited state excise duty under protest ₹ 25.30 million for removal of goods (cough syrup) containing codeine phosphate from excise bonded warehouse. The Honorable High Court of Uttarakhand had passed an order in favour of Company not to charge excise duty on cough syrup containing codeine phosphate less than prescribed limits prospectively and not to refund the excise duty under protest. The Company has filed an application for prayer with Honorable High Court of Uttarakhand for refund of excise duty. The concerned state excise department of Uttarakhand has submitted their reply with Honorable High Court on hearing. Further, the Company has submitted reply along with required documents. Hearing is pending with Honorable High Court which is delayed due to COVID 19. The management is of the opinion that the Company will receive the refund and has also taken an opinion from expert legal consultant for same who has confirmed management's assessment.

ii. Capital Commitments

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for*	141.12	32.51

* Capital commitment for the year ended March 31, 2023 is related to Injectable plant, the contract of the same will be executed in the next few months

49 OTHER STATUTORY INFORMATION

i. The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

ii. The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iii. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year

iv. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

   a. 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

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

v. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

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

   b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

vi. The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017

NOTES to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2023

(All amounts in Indian Rupees in millions, unless otherwise stated)

(as amended).

vii. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

viii. The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

ix. The company has not granted any loans or advances in the nature of loans either repayable on demand.

50 SIGNIFICANT EVENTS AFTER THE REPORTING DATE

There were no significant adjusting events that occurred subsequent to the reporting date.

As per our report of even date

For SS Kothari Mehta & Company
Chartered Accountants
Firm Registration Number - 000756N

Vijay Kumar
Partner
Membership No. - 092671
Place: New Delhi
Date: May 05, 2023

For and on behalf of the board of directors of Windlas Biotech Limited
(formerly known as Windlas Biotech Private Limited)

Ashok Kumar Windlass
Whole Time Director
DIN: 00011451
Place: Dehradun
Date: May 05, 2023

Hitesh Windlass
Managing Director
DIN: 02030941
Place: Gurgaon
Date: May 05, 2023

Manoj Kumar Windlass
Joint Managing Director
DIN: 00221671
Place: Dehradun
Date: May 05, 2023

Komal Gupta
CEO & CFO
Place: Gurgaon
Date: May 05, 2023

Ananta Narayan Panda
Company Secretary
Place: Gurgaon
Date: May 05, 2023

FORM AOC-1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/ JOINT VENTURES

PART "A": SUBSIDIARIES

Name of the subsidiary	Windlas Inc. (Figures in ₹ million)
1. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2023
2. Reporting currency	USD
Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	82.2169
3. Share capital	0.34
4. Reserves & surplus	(3.60)
5. Total assets	0.35
6. Total Liabilities	0.35
7. Investments	0.34
8. Turnover	Nil
9. Profit before taxation	(0.45)
10.Provision for taxation	Nil
11.Profit after taxation	(0.45)
12. Proposed Dividend (Including tax thereon)	Nil
13. % of shareholding	100%

1. Names of subsidiaries which are yet to commence operations – Not Applicable
2. Names of subsidiaries which have been liquidated or sold during the year- Not Applicable

PART "B": ASSOCIATES AND JOINT VENTURES

STATEMENT PURSUANT TO SECTION 129 (3) OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES

(Rs in Million)

Name of associates/Joint Ventures	US Pharma Windlas LLC
1. Latest audited Balance Sheet Date	Not Applicable*
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	5000
Amount of Investment in Associates/Joint Venture	0.38
Extend of Holding%	50%
3. Description of how there is significant influence	Equity Investment more than 20%
4. Reason why the associate/joint venture is not consolidated	US Pharma Windlas LLC is one of the Joint venture entity in which Windlas Inc. (Wholly Owned Subsidiary of Windlas Biotech Limited) has fifty percent ownership and from financial year 2019-20 the joint venture investment value is negative, so the value of investment in the books of Windlas Inc. considered as NIL which is in line with no negative capital account restoration clause of the Joint venture agreement.
5. Net worth attributable to shareholding as per latest audited Balance Sheet	-
6. Profit/Loss for the year	
i. Considered in Consolidation	-
ii. Not Considered in Consolidation	-

*Audit is not applicable under the laws of USA.

For & on behalf of the Board of Directors of Windlas Biotech Limited

Ashok Kumar Windlass	**Hitesh Windlass**	**Manoj Kumar Windlass**	**Komal Gupta**	**Ananta Narayan Panda**
Whole Time Director	Managing Director	Joint Managing Director	CEO & CFO	Company Secretary
DIN: 00011451	DIN: 02030941	DIN: 00221671		
Dehradun	Gurgaon	Dehradun	Gurgaon	Gurgaon

Date: May 5, 2023

windlas

Notice of Annual General Meeting

NOTICE

Notice is hereby given that the **22nd ANNUAL GENERAL MEETING** of the members of WINDLAS BIOTECH LIMITED will be held on Tuesday, the 12th day of September, 2023 at 12.30 p.m. (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of the Auditors and the Board of Directors thereon.

a) "RESOLVED THAT the audited standalone financial statement of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

b) "RESOLVED THAT the audited consolidated financial statement of the Company for the financial year ended March 31, 2023 and the report of Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

2. To declare a Final Dividend of ₹ 4/- per Equity Share for the financial year 2022-23.

3. To appoint a Director in place of Mr. Hitesh Windlass, Managing Director (DIN: 02030941) who is liable to retire by rotation and being eligible, offers himself for re-appointment.

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act 2013, Mr. Hitesh Windlass, (DIN: 02030941), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company."

4. To appoint a Director in place of Mrs. Prachi Jain Windlass, Director (DIN: 06661073) who is liable to retire by rotation and being eligible, offers herself for re-appointment.

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mrs. Prachi Jain Windlass, (DIN: 06661073), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company.

SPECIAL BUSINESS:

5. Ratification of the remuneration of the Cost Auditor

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 of the Companies Act,2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended, remuneration of M/s Sourabh Jain & Associates, the Cost Auditors, appointed by the Board of Directors of the Company, to conduct audit of the cost records of the Company for the financial year ending March 31, 2024, at a remuneration of ₹ 50,000/, excluding G.S.T. as applicable and reimbursement of other out-of-pocket expenses actually incurred by the said Auditors in connection with the cost audit, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company is hereby authorised to do all acts, deeds, matters and things as may be deemed necessary or expedient in connection therewith and incidental thereto."

6. Approval of the 'WBL Employee Stock Option Scheme 2023'

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 provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder, relevant provisions of the Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 and any circulars/notifications/ guidance/frequently asked questions issued thereunder, as amended from time to time (collectively referred as "SEBI SBEB Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI LODR Regulations"), the provisions of relevant regulations/guidelines, if any, prescribed by the Securities and Exchange Board of India ("SEBI"), the provisions of any other applicable laws and regulations (including any amendment thereto or modification(s) or re-enactment(s) thereof from time to time), the relevant provisions of the Memorandum and Articles of Association of the Company, and subject to any applicable approval(s), permission(s) and sanction(s) of any authorities and further subject to any condition(s) and modification(s) as may be prescribed or imposed by such authorities while granting such approval(s), permission(s) and sanction(s), the approval of the Company be and is hereby accorded to the introduction and implementation of 'WBL Employee Stock Option Scheme 2023' ("ESOS 2023" or "Scheme") authorizing the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee, including the Nomination and Remuneration Committee which the Board has constituted under Regulation 19 of the SEBI LODR Regulations to exercise its powers, including the powers, conferred by this resolution) to create and grant from time to time, in one or more tranches, not exceeding 3,15,000 (Three Lakhs Fifteen Thousand) employee stock options ("Options") to or for the benefit of such person(s) working exclusively with the Company, whether in or outside India, including any director, whether whole-time or not (excluding the employees/directors who are promoters and persons belonging to the promoter group, independent directors and directors holding directly or indirectly more than 10% (ten percent) of the outstanding equity shares of the Company) subject to their eligibility as may be determined under the Scheme, exercisable into not more than 3,15,000 (Three Lakhs Fifteen Thousand) equity shares ("Shares") of face value of ₹ 5/- (Rupees Five) each fully paid-up, where one Option would convert in to one equity share upon exercise, on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of the Scheme".

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are required to be issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the ceiling in terms of number of equity shares specified above shall be deemed to be increased to the extent of such additional equity shares are required to be issued.

RESOLVED FURTHER THAT in case the Shares of the Company are either sub-divided or consolidated, then the ceiling in terms of number of Shares specified above shall automatically stand augmented or reduced, as the case may be, in the same proportion as the face value per Share shall bear to the revised face value of the Share of the Company after such sub-division or consolidation.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Scheme.

RESOLVED FURTHER THAT the Board, be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the Scheme subject to consent of the members by way of a special resolution to the extent required under the applicable laws including the SEBI SBEB Regulations and to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Scheme and do all other things incidental and ancillary thereof."

RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion, deem necessary including authorising or directing to appoint merchant bankers, brokers, solicitors, and other advisors, consultants or representatives, being incidental to the effective implementation and administration of the Scheme as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard."

7. **Approval of grant of employee stock option equal or more than 1% of Issued Capital to the identified employees**

   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 provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the provisions of Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 read with circular / notifications issued thereunder (collectively referred as "SEBI SBEB Regulations") , Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the relevant provisions of the Memorandum and Articles of Association of the Company and subject further to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee including Nomination and Remuneration Committee which the Board has constituted or may constitute to exercise its powers, including the powers, conferred by this resolution) to create, offer and grant from time to time such number of employee stock options ("Options") to each of the proposed Option grantees, whether existing or joining in future subject to their joining under the 'WBL Employee Stock Option Scheme 2023' ("ESOS 2023" or "Scheme"), exercisable into equal number of equity shares of face value of ₹ 5/- (Rupees Five) each fully paid up in the Company, which may individually be equal to or exceed 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of Options to Ms. Komal Gupta, Chief Executive Officer cum Chief Financial Officer of the Company, on such terms and conditions as may be determined in accordance with the provisions of the Scheme and in due compliance with the applicable laws and regulations including SEBI SBEB Regulations."

By order of the Board of Directors

Ananta Narayan Panda
Company Secretary
ACS: 13980

Date: August 8, 2023
Place: Gurgaon

Registered Office:
40/1 Mohabewala Industrial Area,
Dehradun, Uttarakhand - 248110
CIN: L74899UR2001PLC033407
Email: grievance@windlasbiotech.com

NOTES:

1. Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 14/2020, 17/2020 and 20/2020 dated April 08, 2020, April 13, 2020 and May 05, 2020, respectively, read with General Circular No. 10/2022 dated December 28, 2022 (collectively referred to as "MCA Circulars") and SEBI has vide its Circular No. SEBI/HO/ DDHS/ DDHS-RACPOD1/P/CIR/2023/001 dated January 05, 2023 read with Circular No. SEBI/ HO/CFD/ CMD2/CIR/P/2022/62 dated May 13, 2022 and Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 (collectively referred to as "SEBI Circulars") and other applicable circulars permitted holding of the Annual General Meeting ("Meeting/AGM") through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), without the physical presence of the Members, Directors, Auditors, Debenture Trustee or other eligible persons at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act, 2013"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and aforesaid MCA and SEBI Circulars, the AGM of the Company will be conducted through VC/ OAVM.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning the business under Item No. 5, 6, 7 of the Notice are annexed hereto. The relevant details pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at this AGM are also annexed.

3. In accordance to the aforesaid MCA Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the body corporate can attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

4. 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 to at least 2000 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.

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

6. Pursuant to the MCA and SEBI Circulars, the Notice calling the AGM along with Annual Report FY 2022-2023 is being sent only through electronic mode to those members whose e-mail address is registered with the Company or the Depository Participant(s). Members may note that the Notice calling the AGM along with Annual Report has been uploaded on the website of the Company at www.windlas.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and ww.nseindia.com, respectively. The AGM Notice is also disseminated on the website of Link Intime India Private Limited (agency for providing the Remote e-Voting facility) i.e. https//instavote.linkintime.co.in.

7. The members seeking any information with regards to annual report or any other matters to be placed at the AGM, are requested to write to the Company in advance through email at grievance@windlasbiotech.com. The same will be replied by the Company suitably.

8. All documents referred to in the accompanying notice and the explanatory statements are open for inspection by the members at the registered office of the Company on all working days during 11:00 AM to 1:00 PM. For obtaining these copies through electronic means Members may write to the Company Secretary by sending an email to grievance@windlasbiotech.com till the date of the AGM.

9. In case you have any query relating to the Annual Accounts you are requested to send the same to the Company Secretary at grievance@

windlasbiotech. com at least 10 days before the date of AGM so as to enable the management to keep the information ready for replying at the meeting.

10. The shares of the Company are under compulsory Demat trading. Also, as per Listing Regulations, securities of listed companies can only be transferred in dematerialized form w.e.f. April 1, 2019 except in case of transmission or transposition of securities. Therefore, Members holding shares in physical form are advised to convert their shares into dematerialised form in their own interest and convenience purpose.

11. Payment of dividend as recommended by the Board of Directors, if approved, at the meeting, will be made to those members whose names are on the Company's Register of Members on September 5, 2023 i.e. Record Date and those whose names appear as Beneficial Owners as at the close of the business hours on September 5, 2023 as per the details to be furnished by the Depositories, viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.'

12. Members holding shares in dematerialised form may please note that, in accordance with the direction of the stock exchanges, bank details as furnished by the respective depositories will be used for the purpose of distribution of dividend. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent out to their registered addresses. To avoid delay in receiving dividend, members are requested to update their KYC with their depositories, where shares are held in dematerialised mode.

13. All the documents referred to in the accompanying notice and explanatory statement annexed thereto shall be available for inspection from the date of circulation of this notice up to the date of AGM. These documents along with the extracts from Register of Directors and Key Managerial Personnel & their shareholding and the Register of Contracts & Arrangements in which directors are interested shall be available for inspection in electronic mode during the meeting to any person having right to attend the meeting.

14. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

15. The Company is climate-conscious and highly concerned about the environment. We request you to update your email address with your Depository Participants to enable us to send you communications via email. Members who have not registered their e-mail addresses, so far, are requested to register their email addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants.

16. Remote e-voting before/during the AGM:

    (a) Pursuant to the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations, as amended and also the MCA Circulars, 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 Link Intime India Private Limited for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-voting system as well as e-voting during AGM will be provided by Link Intime India Private Limited.

    (b) Members of the Company holding shares either in physical form or in demat form as on the cut-off date of September 5, 2023 may cast their vote by remote e-voting. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting before the AGM as well as e-voting during the AGM. Any person holding shares in physical form and shareholder other than individual shareholders who acquires shares of the Company and becomes a Member of the Company after the despatch of the Notice and holding shares as on the cut-off date, i.e. September 5, 2023, may obtain the User ID and Password by sending a request at enotices@linkintime.co.in. In case of Individual Shareholders holding shares in demat mode and who acquires shares of the Company and becomes a

Member of the Company after sending of the Notice and holding shares as of the cut-off date, i.e. September 5, 2023, may follow steps mentioned below under "Log-in method for e-Voting and joining virtual meeting for Individual shareholders holding shares in demat mode".

(c) The remote e-voting period commences on September 8, 2023 (9.00 a.m.) (IST) and ends on September 11, 2023, (5.00 p.m.) (IST). The remote e-voting module shall be disabled by Link Intime India Private Limited for voting thereafter. Once the vote on a Resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut- off date, i.e. September 5, 2023.

(d) Members will be provided with the facility for voting through electronic voting system during the VC proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-voting, will be eligible to exercise their right to vote at the end of discussion on the Resolutions on which voting is to be held, upon announcement by the Chairman. Members who have cast their vote on Resolution(s) by remote e-voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote again on such Resolution(s). Subject to the receipt of requisite votes, Resolutions shall be deemed to be passed on the date of the Meeting, i.e. September 12, 2023.

(e) The remote e-voting module on the day of the AGM shall be disabled by Link Intime India Private Limited for voting 30 minutes after the conclusion of the Meeting.

17. The Scrutiniser will submit his report to the Chairman or to any other person authorised by the Board after the completion of the scrutiny of the e-voting (votes cast before/during the AGM), within two working days from the conclusion of the AGM. The results declared along with the Scrutiniser's Report shall be communicated to the Stock Exchanges on which the Company's shares are listed, Link Intime India Private Limited and will also be displayed on the Company's website www.windlas. com.

18. INSTRUCTIONS FOR E-VOTING AND JOINING THE ANNUAL GENERAL MEETING ARE AS FOLLOWS:

A. Remote e-Voting Instructions for shareholders:

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

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

1. Individual Shareholders holding securities in demat mode with NSDL

   1. 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 name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.

   2. 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

   3. 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 name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

2. 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. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.

   2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period. Additionally, there are 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, the 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 the 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, the 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.

3. 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. After Successful login, you will be able to see e-Voting option. Once you 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 the company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in

2. Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details:

   A. User ID:

   Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

Shareholders holding shares in **physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*

Shareholders holding shares in **NSDL form, shall provide 'D' above*

- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).
- Click "confirm" (Your password is now generated).

3. Click on 'Login' under **'SHARE HOLDER'** tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'.**

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon**.**
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).
4. After selecting the desired option i.e. Favour / Against, click on **'Submit'.** A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes',** else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as **'Custodian / Mutual Fund / Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk 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.co.in or call at : 022 - 4886 7000 and 022 - 2499 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 22 55 33

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: https://instavote.linkintime.co.in

- o Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**
- o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#$&), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- ► It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ► For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- ► During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

B. Process and manner for attending the Annual General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: https://instameet.linkintime.co.in & Click on **"Login".**

   ► Select the **"Company"** and **'Event Date'** and register with your following details: -

   A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No

   - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
   - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
   - Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company

   B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/

   Company shall use the sequence number provided to you, if applicable.

   C. Mobile No.: Enter your mobile number.

   D. Email ID: Enter your email id, as recorded with your DP/Company.

   ► Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request with the company.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.

4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet 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 facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

SPECIAL BUSINESS

Item No. 5: Ratification of the remuneration of the Cost Auditor

The Board of Directors on the recommendation of the Audit Committee has appointed Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2024 and approved the payment of remuneration payable to the Cost Auditor.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought by passing an Ordinary Resolutions set out at Item No. 5 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2024.

The Board of Directors recommend the Ordinary Resolution as set out in item No. 5 of the accompanying Notice for approval of the Members of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the said resolution as per item No. 5 of the Notice.

Item No. 6: Approval of the 'WBL Employee Stock Option Scheme 2023'

Your Company believes that equity-based compensation schemes are an effective tool to attract, retain, motivate, and reward the eligible employees of the Company for their performance and to motivate them to contribute to the growth and profitability of the Company. Further, equity-based compensation is considered to be an integral part of employee compensation across sectors as a long-term incentive tool that would enable the employees not only to become co-owners, but also to create wealth out of such ownership in future.

At this juncture, the Company has transited to the next phase of leveraging market opportunities, business growth including addressing of business competitions which has resulted in consistent demand for talents for critical roles. Apart from this, emergence of new skillsets relevant for the Company's business has resulted in changed dynamics of the talent market. This has necessitated in bringing out a meaningful reward strategy for attraction of new talents and retention of both existing and new critical resources in mid-level and front-line managers having leadership qualities, or holding critical roles as required in the businesses.

The Company had implemented an employee stock option scheme namely 'Windlas Biotech Limited- Employee Stock Option Plan 2021' ("Pre-IPO Scheme") with an Option reserve of 5,46,222 (Five Lakhs Forty-Six Thousand Two Hundred and Twenty-Two) Options out of which 3,09,862 (Three Lakhs Nine Thousand Eight Hundred Sixty Two) Options are outstanding as on 31st July 2023 with the eligible employees, and balance 2,36,360 (Two Lakhs Thirty-Six Thousand Three Hundred Sixty) Options are available for fresh grants. The Pre-IPO Scheme is already aligned with the provisions of the Securities Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations 2021 ("SBEB Regulations"). As per provisions of SBEB Regulations the Options available for fresh grants under the Pre-IPO Scheme can be granted subject to member's ratification. However, it is thought expedient to utilise the available Options under a new employee stock option scheme and not to ratify the Pre-IPO Scheme nor grant Options thereunder. Further, the Options that may expire, lapse, or become un-exercisable for any other reason shall not be granted under the Pre-IPO Scheme.

Given the brief background above, your Company contemplates introduction of 'WBL Employee Stock Option Scheme 2023' ("ESOS 2023"/ "Scheme") seeking to cover eligible employees of the Company with an Option reserve of 3,15,000 (Three Lakhs Fifteen Thousand) Options which includes 2,36,360 Options (referred to above) thereby envisaging additional 78,640 (Seventy-Eight Thousand Six Hundred Forty) Options only i.e., 0.38% of the total paid-up equity share capital. It may be noted that Options reserved under ESOS 2023 along with outstanding Options under the Pre-IPO Scheme contemplates around 3.00% of the paid-up equity share capital of the Company as on date. The total Options reserved shall be exercisable into equal number of equity shares of the face value of ₹ 5 (Rupees five) each.

Accordingly, the Nomination and Remuneration Committee of the Directors ("Committee") and the Board of Directors of the Company ("Board") at their respective meetings held on August 8, 2023 had approved the introduction of the Scheme, subject to your approval.

In terms of Section 62(1)(b) of the Companies Act, 2013 and Rules made thereunder read with Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations"), features of the Scheme are given as under:

a) Brief description of the Scheme:

The Scheme contemplates grant of Option to the eligible employees (including Directors) of the Company, as may be determined in due compliance of SEBI SBEB Regulations and provisions of the Scheme. After vesting of Options, the eligible employees earn a right (but not obligation) to exercise the vested Options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon. The employees may create wealth depending on prevailing market price of Shares as on the date of sale.

The Committee of the Company shall supervise the Scheme. All questions of interpretation of the Scheme shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Scheme.

b) Total number of Options to be granted:

The total number of Options to be granted under the Scheme shall not exceed 3,15,000 (Three Lakhs Fifteen Thousand) Options. Each Option when exercised would be converted in to one equity share of ₹ 5/- (Rupees Five) each fully paid-up.

The SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the Options granted. In this regard, the Committee shall adjust the number and exercise price of the Options granted in such a manner that the total value of the Options granted under the Scheme remains the same after any such corporate action. Accordingly, if any additional Options are issued by the Company to the Option grantees for making such fair and reasonable adjustment, the aforesaid the ceiling of Options/Shares shall be deemed to be increased to the extent of such additional Options issued.

c) Identification of classes of employees entitled to participate in the Scheme

Following classes of employees and directors (collectively referred to as "**Employees**") are eligible being:

(i) an employee as designated by the Company, who is exclusively working in India or outside India; and

(ii) a director of the Company, whether a whole-time director or not, including a non-executive director, who is not a promoter or member of the promoter group but excluding an independent director.

but does not include:

a) an employee who is a Promoter or a person belonging to the Promoter Group;

b) a Director who either by himself /herself or through his/her relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company.

d) Requirements of vesting and period of vesting

Any Option granted under the Scheme shall vest not earlier than minimum vesting period of **1 (one) year** and not later than the maximum vesting period of **4 (four) years** from the date of grant as may be determined by the Committee.

The Options would vest essentially on the basis of continued tenure. Apart from this, the Committee shall prescribe achievement of performance condition(s), the criteria being a mix of corporate, business unit/segment, and individual performance for vesting. The corporate or business unit/ segment performance conditions shall be determined by the Committee basis one or more corporate parameters including but not limited to:

a) Relative Net Profit Growth compared to the Company's peer group.

b) Revenue /Profitability Growth Targets of the Company as per annual budgets.

c) Any other financial/operational parameters as the Committee may deem appropriate based upon annual operating plan.

The relative weightage of performance conditions shall be determined by the Committee on each occasion of grant which may differ from Employee to Employee or classes thereof depending on the existing and expected role of the concerned Employees.

The Committee shall assign mandatory performance conditions when Options are granted at a discount of 10% or more from the market price at the time of grant. The percentage of performance linked vesting shall not be lesser than that of the discount offered.

In the event of death or permanent incapacity of an Employee, the minimum vesting period shall not be applicable and in such instances, all the unvested Options shall vest with effect from date of the death or permanent incapacity as required under the SEBI SBEB Regulations.

e) Maximum period within which the Options shall be vested:

Any Option granted under the Scheme shall be subject to a maximum vesting period of **4 (four)** years from the date of grant of Options.

The Committee subject to minimum and maximum ceiling of vesting period shall have the power to prescribe the vesting schedule for a particular grant.

f) Exercise price or pricing formula:

The Exercise Price per Option shall be such as may be determined by the Committee at the time of grant subject to a discount up to 25% from the Market Price of Shares as on the date of Grant.

Explanation: Market price for this purpose shall mean the latest available closing price of Shares on the stock exchange having higher trading volume on the date immediately preceding the date of grant.

g) Exercise period and the process of Exercise:

The exercise period for vested Options shall be a maximum of **4 (four)** years commencing from the relevant date of vesting of Options, or such other shorter period as may be prescribed by the Committee at time of Grant.

However, in case of separation of an Employee from the employment/service, there shall be a shorter exercise period being maximum of **12 (Twelve) months** from the date of event of separation or date of vesting, as may be determined by the Committee depending on nature of separation.

The vested Option shall be exercisable by the Option grantees by a written application to the Company expressing his/ her desire to exercise such Options in such manner and on such format as may be prescribed by the Committee from time to time. Exercise of Options shall be entertained only upon payment of requisite exercise price and satisfaction of applicable taxes by the Option grantees. The Options shall lapse if not exercised within the specified exercise period.

h) Appraisal process for determining the eligibility of employees under the Scheme:

The appraisal process for determining eligibility shall be decided from time to time by the Committee. The broad criteria for appraisal and selection may include parameters like tenure of association with the Company, performance during the previous years, contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, expected role for the corporate growth, or any such criteria which the Committee deems fit.

i) Maximum number of Options to be issued per employee and in aggregate:

The number of Options that may be granted under the Scheme per Employee and in aggregate (taking into account all grants) for such Employee under the Scheme, shall not exceed 2,10,000 (Two Lakhs Ten Thousand).

j) Maximum quantum of benefits to be provided per employee:

There is no contemplation of benefit other than grant of Options and any benefit arising out of Options shall be subject to ceiling specified in point hereinabove.

k) Route of Scheme implementation:

The Scheme shall be implemented and administered directly by the Company.

l) Source of acquisition of shares under the Scheme:

The Scheme contemplates issue of fresh/ primary equity shares of the Company.

m) Amount of loan to be provided for implementation of the Scheme(s) by the Company to the Trust, its tenure, utilization, repayment terms, etc:

This is currently not contemplated under the Scheme.

n) Maximum percentage of secondary acquisition:

This is currently not contemplated under the Scheme.

o) Accounting and Disclosure Policies:

The Company shall follow the Accounting Standard IND AS 102 on Share based payments and/ or any relevant Accounting Standards as may be prescribed by the competent authorities from time to time, including the disclosure requirements prescribed therein in due compliance with the requirements of Regulation 15 of the SEBI SBEB Regulations. In addition, the Company shall disclose such details as required under the applicable laws including under other applicable provisions of the SEBI SBEB Regulations.

p) Method of Option valuation:

The Company shall adopt 'fair value method' for valuation of Options as prescribed under IND AS 102 on Share-based payments or any accounting standard/ guidance note, as applicable, notified by competent authorities from time to time.

q) Declaration:

In case the company opts for expensing of share-based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options and the impact of this difference on profits and on Earning Per Share ("EPS") of the Company shall also be disclosed in the Directors' report.

r) Period of Lock-in:

The shares issued pursuant to exercise of Options shall not be subject to any lock-in period restriction except such restrictions as may be prescribed under applicable laws including that under the code of conduct framed, if any, by the Company under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended.

s) Terms & conditions for buyback, if any, of specified securities/ Options covered granted under the Scheme:

Subject to the provisions of the then prevailing applicable laws, the Committee shall determine the procedure for buy-back of Options granted under the Scheme if to be undertaken at any time by the Company, and the applicable terms and conditions thereof.

Consent of the members is being sought by way of special resolution pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SEBI SBEB Regulations.

A draft copy of the Scheme will be available for inspection without any fee by the members from the date of circulation of this Notice up to the date of conclusion of voting.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution, except to the extent they may be lawfully granted Options under the Scheme.

Your Board of Directors recommends the Special Resolutions set forth as Item No. 6 of the notice for your approval.

Item No. 7: Approval of grant of employee stock option equal or more than 1% of Issued Capital to the identified employees

The Board has sought your approval to implement 'WBL Employee Stock Option Scheme 2023' ("ESOS 2023" or "Scheme"). The Company consistently believes in the philosophy of creating entrepreneurial teams to operate its businesses and create superior shareholder return. It would be implemented keeping in view the incentivization requirements of the eligible employees through equity-based compensation. It is imperative that the teams have substantial interest in the business and for that reason grant of so much of the employee stock options ("Options") have been proposed to retain and incentivize driving performance leading to improved corporate growth and profitability.

In the background above, approval of the shareholders is being sought for the issue of so much of the Options to the aforesaid personnel being equal to or more than 1% (One percent) of the issued capital of the Company as on date of grant.

None of the Directors, Key Managerial Person, or their relatives is concerned or interested in this resolution except to the extent and manner set out in the resolution.

In light of above, you are requested to accord your approval to the Special Resolution as set out at Agenda Item No. 7 of the accompanying notice.

By order of the Board of Directors

Ananta Narayan Panda
Company Secretary
ACS: 13980

Date: August 8, 2023
Place: Gurgaon

DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

[In pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard -2 on General Meeting]

Name of Director	Mr. Hitesh Windlass
DIN	02030941
Age	46
Date of First Appointment on the Board	January 21, 2008
Qualification	He holds a bachelor's degree in ceramic engineering from the Indian Institute of Technology, Banaras Hindu University, a master's degree in science in materials science and engineering from The Georgia Institute of Technology and a master's degree in business administration from the Graduate School of Business, University of Chicago.
Expertise in Specific Functional Areas	He has experience in the field of management and strategizing various methods in relation to Manufacturing, Research and development & building action-oriented approach in the operations of our Company.
Profile	Hitesh Windlass is the Managing Director of our Company. He has set up our Domestic Trade Generics, OTC Brands and Exports SBVs and plays a significant role in driving the technical operations, quality, R&D, manufacturing strategy and financial strategy of our Company. He joined our Company on January 21, 2008 as a Director of our Company and was appointed as Managing Director of our Company on April 30, 2020.
Directorship in Other Companies	Windlas Inc. & Medicine Company (India) Private Limited (Under liquidation)
Name of the Listed Companies from which the Director has resigned in the past 3 years	None
Membership/Chairmanship of Committees in other Companies as on March 31, 2023	-
Number of Meetings of Board during 2022-23 Total meetings held during respective tenure : Attended : Inter-se Relationship with other Directors/ KMP	04 04 Ashok Kumar Windlass- Father Manoj Kumar Windlass-Brother Prachi Jain Windlass- Wife
Terms and Conditions of Appointment	Managing Director liable to retire by rotation
Details of Remuneration last drawn (FY 2022-23)	Refer Directors' Report/ Corporate Governance Report for the year 2022-23
Details of Remuneration sought to be paid in FY 2022-2023	As approved by NRC and approved by board
No of shares held Own For other persons on a beneficial basis	 03 Nil

Name of Director	Mrs. Prachi Jain Windlass
DIN	06661073
Age	47
Date of First Appointment on the Board	May 3, 2021
Qualification	She holds a bachelor's degree in technology from the Indian Institute of Technology, Delhi, master's degree in science (electrical engineering) from the University of Southern California, Los Angeles and a master's degree in business administration from University of Chicago.
Expertise in Specific Functional Areas	She was previously associated with Boston Consulting Group, Gurgaon. She has experience in building a strategic workforce planning and implement operational strategies.
Profile	Prachi Jain Windlass is the Non- Executive of our Company. She joined our Company on May 3, 2021 as a Non- Executive Director of our Company.
Directorship in Other Companies	SUB-K IMPACT SOLUTIONS LIMITED Impact Investors Council
Name of the Listed Companies from which the Director has resigned in the past 3 years	None
Membership/Chairmanship of Committees in other Companies as on March 31, 2023	-
Number of Meetings of Board during 2022-23 Total meetings held during respective tenure : Attended : Inter-se Relationship with other Directors/ KMP	 04 01 Ashok Kumar Windlass- Father Hitesh Windlass- Husband Manoj Kumar Windlass- Husband's Brother
Terms and Conditions of Appointment	Non- Executive Director liable to retire by rotation
Details of Remuneration last drawn (FY 2022-23)	Refer Directors' Report/ Corporate Governance Report for the year 2022-23
Details of Remuneration sought to be paid in FY 2022-2023	As approved by NRC and approved by board
No of shares held Own For other persons on a beneficial basis	 03 Nil

NOTES

Corporate Information

BOARD OF DIRECTORS

Mr. Ashok Kumar Windlass
Whole Time Director

Mr. Hitesh Windlass
Managing Director

Mr. Manoj Kumar Windlass
Jt. Managing Director

Mr. Pawan Kumar Sharma
Executive Director

Mrs. Prachi Jain Windlass
Non Executive Director

INDEPENDENT DIRECTORS

Mr. Vivek Dhariwal, Chairman
Mr. Srinivasan Venkataraman
Mr. Gaurav Gulati

CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER

Mrs. Komal Gupta

COMPANY SECRETARY

Mr. Ananta Narayan Panda

STATUTORY AUDITORS

S.S. Kothari Mehta & Company
Chartered Accountants

REGISTERED OFFICE

40/1, Mohabewala Industrial Area
Dehradun, Uttarakhand 248 110
India Tel.:+91-135-6608000-30

CORPORATE OFFICE

705-706, Vatika Professional Point, Sector-66,
Golf Course Ext. Road, Gurgaon,
Haryana 122 001, India Tel.:+91-124-2821030

FACTORIES

UNIT I
40/1, Mohabewala Industrial Area, Dehradun in Uttarakhand

UNIT II
Khasra no. 141 to 143 and 145, Mohabewala Industrial Area, Dehradun in Uttarakhand

UNIT III
Plot no. 39, Pharma City Selaqui Industrial Area, Dehradun in Uttarakhand,

UNIT IV
Plot no. 183 and 192, Mohabewala Industrial Area, Dehradun in Uttarakhand.

R&D

40/1, Mohabewala Industrial Area, Dehradun in Uttarakhand

STOCK EXCHANGES WHERE SHARES OF THE COMPANY ARE LISTED

National Stock Exchange of India Limited (NSE)
BSE Limited (BSE)

REGISTRAR AND TRANSFER AGENT

Link Intime India Private Limited
C-101, 1st Floor, 247 Park Lal Bhadur Shastri Marg Vikhroli (West) Mumbai, Maharashtra

WEBSITE & E-MAIL

www.windlas.com
grievance@windlasbiotech.com
info@windlasbiotech.com

CORPORATE IDENTIFICATION NUMBER

CIN:L74899UR2001PLC033407

windlas

Corporate Office
705-706, Vatika Professional Point, Sector-66 Golf Course Extension Road
Gurgaon – 122 001 Haryana, India Tel.: +91 124 2821030

Registered Office
40/1, Mohabewala Industrial Area, Dehradun – 248 110
Uttarakhand, India Tel.: +91 135 6608000