DRAFT RED HERRING PROSPECTUS
Dated: May 13, 2021
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read Section 32 of the Companies Act, 2013
Book Built Offer

WINDLAS BIOTECH LIMITED

Our Company was incorporated as 'Windlas Biotech Limited' on February 19, 2001 at New Delhi as a public limited company under the Companies Act, 1956 and was granted a certificate of incorporation by the Assistant Registrar of Companies, National Capital Territory of Delhi and Haryana, at New Delhi ("**RoC Delhi**"). Our Company received the certificate for commencement of business on March 5, 2001 from the RoC Delhi. The registered office of our Company was shifted from the state of Delhi to the state of Uttarakhand pursuant to a special resolution passed by our Shareholders on August 22, 2009. The alteration with respect to the place of the registered office was confirmed by the order of the Company Law Board, New Delhi on August 5, 2010 and a fresh certificate of registration was issued by the Registrar of Companies, Uttar Pradesh and Uttarakhand at Kanpur on February 18, 2011. Subsequently, our Company was converted into a private limited company pursuant to a special resolution passed by our Shareholders on March 30, 2016 and a fresh certificate of incorporation consequent upon conversion and change of name to 'Windlas Biotech Private Limited' was granted by the Registrar of Companies, Uttarakhand at Kanpur on July 22, 2016. Our Company was converted from a private limited company to a public limited company pursuant to a special resolution passed by our Shareholders on April 3, 2021, and the name of our Company was changed to 'Windlas Biotech Limited'. A fresh certificate of incorporation dated April 15, 2021, consequent upon change of name on conversion to a public limited company was granted by the Registrar of Companies, Uttarakhand at Dehradun ("**RoC**"). For further details in relation to changes in the registered office and name of our Company, see "*History and Certain Corporate Matters*" on page 153.

Registered Office: 40/1, Mohabewala Industrial Area, Dehradun 248 110, Uttarakhand, India; **Tel**: +91 135 6608000
Corporate Office: 705-706, Vatika Professional Point, Sector-66, Golf Course Extension Road, Gurgaon 122 001, Haryana, India; **Tel**: +91 124 2821030
Website: www.windlasbiotech.com; **Contact Person**: Ananta Narayan Panda, Company Secretary and Compliance Officer; **E-mail**: grievance@windlasbiotech.com;
Corporate Identity Number: U74899UR2001PLC033407

OUR PROMOTERS: ASHOK KUMAR WINDLASS, HITESH WINDLASS, MANOJ KUMAR WINDLASS AND AKW WBL FAMILY PRIVATE TRUST

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹5 EACH ("EQUITY SHARES") OF WINDLAS BIOTECH LIMITED ("COMPANY") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) AGGREGATING UP TO ₹[●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹1,650 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 5,142,067 EQUITY SHARES, COMPRISING OF UP TO 1,136,000 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY VIMLA WINDLASS (THE "INDIVIDUAL SELLING SHAREHOLDER") AND UP TO 4,006,067 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY TANO INDIA PRIVATE EQUITY FUND II (THE "INVESTOR SELLING SHAREHOLDER", AND COLLECTIVELY WITH THE INDIVIDUAL SELLING SHAREHOLDER, THE "SELLING SHAREHOLDERS", AND SUCH EQUITY SHARES, THE "OFFERED SHARES") AGGREGATING UP TO ₹[●] MILLION (THE "OFFER FOR SALE").

THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO ₹[●] MILLION (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". OUR COMPANY MAY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, OFFER A DISCOUNT OF UP TO ₹[●] OF THE OFFER PRICE TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT"). THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY").

OUR COMPANY AND THE SELLING SHAREHOLDERS MAY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMS"), CONSIDER A FURTHER ISSUE BY OUR COMPANY OF UP TO [●] EQUITY SHARES FOR CASH CONSIDERATION AGGREGATING UP TO ₹500 MILLION (THE "PRE-IPO PLACEMENT"). THE PRE-IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BRLMS AND THE PRE-IPO PLACEMENT WILL BE UNDERTAKEN PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC. IF THE PRE-IPO PLACEMENT IS UNDERTAKEN, THE AMOUNT RAISED FROM THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE FRESH ISSUE, SUBJECT TO COMPLIANCE WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957 AS AMENDED ("SCRR").

THE PRICE BAND, EMPLOYEE DISCOUNT AND THE MINIMUM BID LOT SHALL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN [●] EDITIONS OF [●], AN ENGLISH NATIONAL DAILY NEWSPAPER, AND [●] EDITIONS OF [●], A HINDI NATIONAL DAILY NEWSPAPER (HINDI BEING THE REGIONAL LANGUAGE OF UTTARAKHAND, WHERE OUR REGISTERED OFFICE IS LOCATED) EACH WITH WIDE CIRCULATION AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

In case of any revision in the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholders may, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Bank.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Portion**") provided that our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders ("**RIB**") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Further, up to [●] Equity Shares aggregating up to ₹ [●] million will be available for allocation to Eligible Employees, subject to valid Bids being received at or above the Offer Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process providing details of their respective ASBA accounts and UPI ID (in case of RIBs), if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or under the UPI Mechanism, as applicable. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "*Offer Procedure*" on page 298.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹5. The Floor Price, Cap Price and Offer Price should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 21.

COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each of the Selling Shareholders, severally and not jointly accepts responsibility for and confirms the statements specifically made or confirmed by such Selling Shareholder in this Draft Red Herring Prospectus to the extent of information specifically pertaining to such Selling Shareholder and its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

LISTING

The Equity Shares to be Allotted through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 319.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER
SBI Capital Markets Limited 202, Maker Tower 'E' Cuffe Parade Mumbai 400 005 Maharashtra, India **Tel**: +91 22 2217 8300 **E-mail**: windlas.ipo@sbicaps.com **Website**: www.sbicaps.com **Investor Grievance ID**: investor.relations@sbicaps.com **Contact Person**: Gaurav Mittal/Janardhan Wagle **SEBI Registration Number**: MB/INM000003531	**DAM Capital Advisors Limited** (*Formerly IDFC Securities Limited*) One BKC, Tower C, 15th Floor, Unit No.1511 Bandra Kurla Complex, Bandra (East) Mumbai 400 051 Maharashtra, India **Tel**: +91 22 4202 2500 **E-mail**: windlas.ipo@damcapital.in **Website**: www.damcapital.in **Investor Grievance ID**: complaint@damcapital.in **Contact Person**: Chandresh Sharma **SEBI Registration Number**: MB/INM000011336	**IIFL Securities Limited** 10th Floor, IIFL Centre Kamala City, Senapati Bapat Marg Lower Parel (West) Mumbai 400 013 Maharashtra, India **Tel**: +91 22 4646 4600 **E-mail**: windlas.ipo@iiflcap.com **Website**: www.iiflcap.com **Investor Grievance ID**: ig.ib@iiflcap.com **Contact Person**: Aditya Agarwal/ Harshvardhan Jain **SEBI Registration Number**: MB/INM000010940	**Link Intime India Private Limited** C-101, 1st Floor 247 Park Lal Bhadur Shastri Marg Vikhroli (West) Mumbai 400 083 Maharashtra, India **Tel:** +91 22 4918 6200 **E-mail:** windlas.ipo@linkintime.co.in **Website:** www.linkintime.co.in **Investor Grievance ID**: windlas.ipo@linkintime.co.in **Contact Person:** Shanti Gopalkrishnan **SEBI Registration Number:** INR000004058

BID/ OFFER SCHEDULE

BID/ OFFER OPENS ON	[●][(1)]	**BID/ OFFER CLOSES ON**	[●][(2)]

(1) *Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date.*

(2) *Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.*

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TABLE OF CONTENTS

SECTION I: GENERAL 1

DEFINITIONS AND ABBREVIATIONS 1
OFFER DOCUMENT SUMMARY 11
CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION 16
FORWARD-LOOKING STATEMENTS 20

SECTION II: RISK FACTORS 21

SECTION III: INTRODUCTION 55

THE OFFER 55
SUMMARY OF FINANCIAL INFORMATION 57
GENERAL INFORMATION 63
CAPITAL STRUCTURE 70
OBJECTS OF THE OFFER 80
BASIS FOR OFFER PRICE 91
STATEMENT OF SPECIAL TAX BENEFITS 93

SECTION IV: ABOUT OUR COMPANY 97

INDUSTRY OVERVIEW 97
OUR BUSINESS 128
KEY REGULATIONS AND POLICIES 147
HISTORY AND CERTAIN CORPORATE MATTERS 153
OUR MANAGEMENT 159
OUR PROMOTERS AND PROMOTER GROUP 175
OUR GROUP COMPANIES 178
DIVIDEND POLICY 181

SECTION V: FINANCIAL INFORMATION 182

FINANCIAL STATEMENTS 182
OTHER FINANCIAL INFORMATION 233
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS 235
CAPITALISATION STATEMENT 270
FINANCIAL INDEBTEDNESS 271

SECTION VI: LEGAL AND OTHER INFORMATION 273

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS 273
GOVERNMENT AND OTHER APPROVALS 278
OTHER REGULATORY AND STATUTORY DISCLOSURES 280

SECTION VII: OFFER INFORMATION 291

TERMS OF THE OFFER 291
OFFER STRUCTURE 295
OFFER PROCEDURE 298
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES 311

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION 312

SECTION IX: OTHER INFORMATION 319

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION 319

DECLARATION 322

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, the terms used in "Objects of the Offer", "Basis for Offer Price", "Statement of Special Tax Benefits", "Industry Overview", "Key Regulations and Policies", "History and Certain Corporate Matters", "Financial Statements", "Financial Indebtedness", "Outstanding Litigation and Material Developments" "Other Regulatory and Statutory Disclosures", and "Description of Equity Shares and Terms of Articles of Association" on pages 80, 91, 93, 97, 147, 153, 271, 273, 280 and 312 respectively, shall have the meaning ascribed to them in the relevant section.

General Terms

Term	Description
"our Company" or "the Company"	Windlas Biotech Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 40/1, Mohabewala Industrial Area, Dehradun, Uttarakhand, 248 110, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiary and Joint Venture

Company Related Terms

Term	Description
"Articles of Association" or "AoA"	Articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations and as described in "*Our Management*" on page 159
"Auditors" or "Statutory Auditors"	The current statutory auditors of our Company, being S.S. Kothari Mehta & Company
"Board" or "Board of Directors"	The board of directors of our Company, as disclosed in "*Our Management*" on page 159
"CCPS"	Compulsory Convertible Preference Shares
Chairman and Non-Executive Independent Director	Chairman and Non-Executive Director of our Company, namely, Vivek Dhariwal
Company Secretary and Compliance Officer	Company secretary and compliance officer of our Company, namely, Ananta Narayan Panda
Corporate Office	The corporate office of our Company situated at 705-706, Vatika Professional Point, Sector-66, Golf Course Extension Road, Gurgaon 122 001, Haryana, India
"Corporate Social Responsibility Committee" or "CSR Committee"	The corporate social responsibility committee of our Company constituted in accordance with the applicable provisions of the Companies Act, 2013 and as described in "*Our Management*" on page 159
Director(s)	The directors on our Board
Equity Shares	Equity shares of our Company of face value of ₹5 each
ESOP 2021	Windlas Biotech Limited - Employee Stock Option Plan 2021
Group Companies	Our group companies, namely Wintech Eco Solutions Private Limited and HIM MEC TEC Private Limited as described in "*Our Group Companies*" on page 178
Independent Directors	Independent directors on our Board, as described in "*Our Management*" on page 159
Individual Promoters	Collectively, Ashok Kumar Windlass, Hitesh Windlass and Manoj Kumar Windlass
Individual Selling Shareholder	Vimla Windlass
Investor Selling Shareholder	Tano India Private Equity Fund II
IPO Committee	The IPO committee of our Board, as described in "*Our Management*" on page 159
Joint Venture	Joint Venture of our Company, namely, USpharma Windlas LLC
"Key Managerial Personnel" or "KMP"	Key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations as described in "*Our Management*" on page 159

Term	Description
"Memorandum of Association" or "MoA"	Memorandum of association of our Company, as amended
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations and as described in "*Our Management*" on page 159
Promoters	Collectively, the Individual Promoters and the Promoter Trust
Promoter Group	Individuals and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as described in "*Our Promoters and Promoter Group*" on page 175
Promoter Trust	AKW WBL Family Private Trust, a private trust settled pursuant to the trust deed dated April 5, 2021
RoC Delhi	Registrar of Companies, National Capital Territory of Delhi and Haryana, at New Delhi
Registered Office	The registered office of our Company situated at 40/1, Mohabewala Industrial Area, Dehradun 248 110, Uttarakhand, India
"Registrar of Companies" or "RoC"	Registrar of Companies, Uttarakhand at Dehradun
Restated Consolidated Financial Information	Restated consolidated financial information of our Company comprising the restated consolidated statement of assets and liabilities as at December 31, 2020, December 31, 2019, March 31, 2020, March 31, 2019 (proforma) and March 31, 2018 (proforma), and the restated consolidated statement of profit and loss (including other comprehensive income), cash flows and changes in equity for the nine months ended December 31, 2020 and December 31, 2019, and for the years ended March 31, 2020, March 31, 2019 (proforma) and March 31, 2018 (proforma), together with the summary statement of significant accounting policies and other explanatory information thereon, derived from our audited special purpose interim consolidated financial statements as at and for the nine months ended December 31, 2020 and December 31, 2019 prepared in accordance with Ind AS – 34, read with the Companies (Indian Accounting Standards) Rules, 2015, and our audited consolidated financial statements as at and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 prepared in accordance with Indian GAAP and read together with paragraph 7 of the Companies (Accounts) Rules, 2014, and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI and the circular no. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 issued by SEBI
Scheme of Amalgamation	Scheme of amalgamation filed by our Company and Windlas Healthcare Private Limited under Section 233 of the Companies Act, 2013 with the Regional Director at New Delhi on October 31, 2020 to amalgamate Windlas Healthcare with and into our Company and as described in "*History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamations or any revaluation of assets, in the last 10 years – Scheme of Amalgamation*" on page 155
Shareholders	Equity shareholders of our Company
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations and as described in "*Our Management*" on page 159
Subsidiary	Subsidiary of our Company, namely, Windlas, Inc.
Windlas Healthcare	Erstwhile subsidiary of our Company, Windlas Healthcare Private Limited, which pursuant to the Scheme of Amalgamation, amalgamated with and into our Company with effect from May 1, 2020. For details, see "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamations or any revaluation of assets, in the last 10 years - Scheme of Amalgamation*" on page 155

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
"Allot" or "Allotment" or "Allotted"	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of Offered Shares pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹100 million
Anchor Investor Allocation Price	Price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs during the Anchor Investor Bid/Offer Period

Term	Description
Anchor Investor Application Form	Application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/Offer Period	One Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), the Anchor Investor Bid/Offer Period, and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Offer Price, not later than two Working Days after the Bid/ Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and the Selling Shareholders in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
"Application Supported by Blocked Amount" or "ASBA"	Application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include applications made by RIBs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism
ASBA Account	Bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of an RIB which is blocked upon acceptance of a UPI Mandate Request made by the RIB using the UPI Mechanism
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	Application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bankers to the Offer	Collectively, Escrow Collection Bank(s), Public Offer Account Bank(s), Sponsor Bank(s) and Refund Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in "*Offer Structure*" on page 295
Bid	Indication to make an offer during the Bid/ Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid Eligible Employees applying in the Employee Reservation Portion can apply at the Cut Off Price and the Bid Amount shall be Cap Price, net of Employee Discount, if any, multiplied by the number of Equity Shares Bid for such Eligible Employee and mentioned in the Bid cum Application Form The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000 (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (net of Employee Discount). Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000 (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (net of Employee Discount).
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries and Sponsor Bank will not accept any Bids, which shall be notified in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper (Hindi being the regional language of Uttarakhand, where our Registered Office is located), each with wide circulation. Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the

Term	Description
	SEBI ICDR Regulations. In case of any revision, the extended Bid/ Offer Closing Date shall also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries and Sponsor Bank shall start accepting Bids, which shall be notified in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper (Hindi being the regional language of Uttarakhand, where our Registered Office is located), each with wide circulation
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
"Book Running Lead Managers" or "BRLMs"	The book running lead managers to the Offer, namely, SBICAP, DAM Capital and IIFL Securities
Broker Centres	Centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
"CAN" or "Confirmation of Allocation Note"	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/ Offer Period
Cap Price	Higher end of the Price Band, subject to any revisions thereto, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
Cash Escrow and Sponsor Bank Agreement	Agreement to be entered amongst our Company, the Selling Shareholders, the BRLMs, Syndicate Members, the Bankers to the Offer and Registrar to the Offer for, *inter alia*, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the respective websites of the Stock Exchanges, as updated from time to time
CRISIL	CRISIL Limited
CRISIL Report	Report titled "*Assessment of the Global and Indian pharmaceuticals industry*", issued in April 2021 prepared by CRISIL
Cut-off Price	Offer Price, finalised by our Company and the Selling Shareholders in consultation with the BRLMs, which shall be any price within the Price Band Only Retail Individual Bidders Bidding in the Retail Portion and Eligible Employees Bidding in the Employee Reservation Portion are entitled to Bid at the Cut-off Price (net of the Employee Discount, as applicable). QIBs (including the Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
DAM Capital	DAM Capital Advisors Limited (*Formerly IDFC Securities Limited*)
Demographic Details	Details of the Bidders including the Bidders' address, name of the Bidders' father/husband, investor status, occupation, bank account details and UPI ID, wherever applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time

Term	Description
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of RIBs using the UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares will be Allotted in the Offer
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs and Eligible Employees Bidding in the Employee Reservation Portion by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs (excluding Anchor Investors) and Non-Institutional Bidders, Designated Intermediaries shall mean Syndicate, sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	[●]
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated May 13, 2021 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Eligible Employees	Permanent employees, working in India or outside India (excluding such employees who are not eligible to invest in the Offer under applicable laws), of our Company; or a Director of our Company or of our Subsidiary, whether whole-time or not, as on the date of the filing of the Red Herring Prospectus with the RoC and on date of submission of the Bid cum Application Form, but not including (i) Promoters; (ii) persons belonging to the Promoter Group; or (iii) Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company
Eligible FPI(s)	FPI(s) from such jurisdictions outside India where it is not unlawful to make an offer/invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an Offer or invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Employee Discount	A discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share) as may be offered by our Company, in consultation with the Book Running Lead Managers, to Eligible Employees and which shall be announced at least two Working Days prior to the Bid/Offer Opening Date
Employee Reservation Portion	The portion of the Offer being up to [●] Equity Shares aggregating ₹[●] million which shall not exceed 5% of the post-Offer Equity Share capital of our Company, available for allocation to Eligible Employees, on a proportionate basis
Escrow Account	The 'no-lien' and 'non-interest bearing' account(s) to be opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding ASBA Bidders) will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	Bank(s) which are clearing members and registered with SEBI as banker(s) to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and with whom the Escrow Account will be opened, in this case being [●]
First or sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	Lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fresh Issue	Fresh issue of up to [●] Equity Shares aggregating up to ₹1,650 million by our Company
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
IIFL Securities	IIFL Securities Limited
Monitoring Agency	[●]
Monitoring Agency Agreement	Agreement to be entered into between our Company and the Monitoring Agency, as applicable

Term	Description
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares which shall be available for allocation to Mutual Funds only, subject to valid Bids being received at or above the Offer Price
Net Offer	The Offer less the Employee Reservation Portion
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Offer expenses. For further details regarding the use of the Net Proceeds and the Offer expenses, see "*Objects of the Offer*" on page 80
Net QIB Portion	The QIB Portion less the number of Equity Shares allocated to the Anchor Investors
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders or Eligible Employees and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	Portion of the Offer being not less than 15% of the Net Offer consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident	Person resident outside India, as defined under FEMA
Offer	The initial public offer of Equity Shares comprising of the Fresh Issue and the Offer for Sale. Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider a Pre-IPO Placement by our Company for an aggregate amount not exceeding ₹500 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR
Offer Agreement	Agreement dated May 13, 2021 entered into amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements have been agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to 5,142,067 Equity Shares aggregating up to ₹[●] million, comprising of up to 1,136,000 Equity Shares aggregating up to ₹[●] million by the Individual Selling Shareholder and up to 4,006,067 Equity Shares aggregating up to ₹[●] million by the Investor Selling Shareholder
Offer Price	The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price which will be decided by our Company and the Selling Shareholders in consultation with the BRLMs in terms of the Red Herring Prospectus and the Prospectus. The Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus A discount of up to [●]% on the Offer Price (equivalent of ₹[●] per Equity Share) may be offered to Eligible Employees bidding in the Employee Reservation Portion. This Employee Discount, if any, will be decided by our Company, in consultation with the Book Running Lead Managers
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Selling Shareholders. For further information about use of the Offer Proceeds, see "*Objects of the Offer*" on page 80
Offered Shares	Up to 5,142,067 Equity Shares aggregating up to ₹[●] million being offered for sale by the Selling Shareholders in the Offer for Sale, comprising of up to 1,136,000 Equity Shares aggregating up to ₹[●] million by the Individual Selling Shareholder and up to 4,006,067 Equity Shares aggregating up to ₹[●] million by the Investor Selling Shareholder
Pre-IPO Placement	A pre-Offer placement of Equity Shares by our Company and the Selling Shareholders, in consultation with the BRLMs, of such number of Equity Share for an aggregate amount not exceeding ₹500 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and the Selling Shareholders, in consultation with the BRLMs and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the minimum Offer Size constituting at least [●]% of the post-Offer paid-up equity share capital of our Company
Price Band	Price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including any revisions thereof. The Price Band, the Employee Discount and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper (Hindi being the regional language of Uttarakhand, where our Registered Office is located), each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	Date on which our Company and the Selling Shareholders in consultation with the BRLMs will finalise the Offer Price
Prospectus	Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, *inter alia*, the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto

Term	Description
Public Offer Account	The 'no-lien' and 'non-interest bearing' account to be opened with the Public Offer Account Bank, under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Offer Account Bank(s)	A bank which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Offer Account will be opened, in this case being [●]
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Net Offer consisting of [●] Equity Shares which shall be available for allocation to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price
"Qualified Institutional Buyers" or "QIBs" or "QIB Bidders"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
"Red Herring Prospectus" or "RHP"	Red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Offer Price and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	Account to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank(s)	Banker(s) to the Offer and with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	Stock brokers registered under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992, as amended with the Stock Exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/ CFD/ 14/ 2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	Agreement dated May 10, 2021 entered into amongst our Company, the Selling Shareholders and the Registrar to the Offer
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the list available on the websites of BSE and NSE, and the UPI Circulars
"Registrar to the Offer" or "Registrar"	Link Intime India Private Limited
"Retail Individual Bidder(s)" or "RIB(s)"	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	Portion of the Offer being not less than 35% of the Net Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Offer Price)
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/Offer Closing Date
SBICAP	SBI Capital Markets Limited
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Selling Shareholders	Collectively, the Individual Selling Shareholder and the Investor Selling Shareholder
Share Escrow Agent	Share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	Agreement to be entered into amongst our Company, the Selling Shareholders, and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders
Sponsor Bank	[●], being a Banker to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs using the UPI and carry out other responsibilities, in terms of the UPI Circulars

Term	Description
"Syndicate" or "Members of the Syndicate"	Together, the BRLMs and the Syndicate Members
Syndicate Agreement	Agreement to be entered into amongst our Company, the Selling Shareholders, the BRLMs and the Syndicate Members, in relation to collection of Bids by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriters	[●]
Underwriting Agreement	Agreement to be entered into amongst our Company, the Selling Shareholders, and the Underwriters on or after the Pricing Date but prior to filing of the Prospectus with the RoC
UPI	Unified payments interface, which is an instant payment mechanism, developed by NPCI
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID/ PIN	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS on directing the RIB to such UPI linked mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that may be used by an RIB in accordance with the UPI Circulars to make an ASBA Bid in the Offer
Working Day	All days on which commercial banks in Mumbai are open for business. In respect of announcement of Price Band and Bid/Offer Period, Working Day shall mean all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai are open for business. In respect of the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays in India, as per circulars issued by SEBI

Technical/Industry Related Terms/Abbreviations

Term	Description
AB-PMJAY	Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana
API	Active pharmaceutical ingredients
CAGR	Compounded annual growth rate
CDMO	Contract development and manufacturing organization
CDSCO	Central Drugs Standard Control Organization of India
CSR	Corporate social responsibility
DCGI	Drugs Controller General of India
Dehradun Plant – I	Our Dehradun Plant- I, located at 40/1, Mohabewala Industrial Area, Dehradun in Uttarakhand
Dehradun Plant – II	Our Dehradun Plant- II, located at Khasra no. 141 to 143 and 145, Mohabewala Industrial Area, Dehradun in Uttarakhand
Dehradun Plant – III	Our Dehradun Plant- III, located at Plot no. 39, Pharma City Selaqui Industrial Area, Dehradun in Uttarakhand
Dehradun Plant – IV	Our Dehradun Plant- IV, located at Plot no. 183 and 192, Mohabewala Industrial Area, Dehradun in Uttarakhand
DPCO	Drug Prices Control Order
EBITDA	EBITDA is calculated as profit before share of gain/ (loss) in joint venture and associates, exceptional items and tax plus share of gain/ (loss) in joint venture and associate company, finance costs and depreciation and amortization expenses less other income
EBITDA Margin	EBITDA Margin is the percentage of EBITDA divided by revenue from operations
ERP	Enterprise resource planning
FDA	Food and Drug Administration
GMP	Good Manufacturing Practices
IPM	Indian Pharmaceutical Market
Material margin percentage	Material margin ratio is calculated by dividing margin (which is calculated by deducting cost of goods sold from revenue from operations) by revenue from operations
NDDS	Novel drug delivery systems
NLEM	National List of Essential Medicines
NIPER	National Institute of Pharmaceutical Education and Research, S.A.S. Nagar

Term	Description
NPPA	National Pharmaceutical Pricing Authority
OTC	Over-the-counter
PAT Margin	PAT Margin is calculated by profit for the period/year before exceptional items divide by Revenue from operation
PLI	Production Linked Incentive
PMBJP	Pradhan Mantri Bhartiya Janaushadhi Pariyojana
R&D	Research and development
ROCE	Return of capital employed is calculated based on EBIT (calculated as EBITDA, Less Depreciation) divided by average capital employed
SBV	Strategic business verticals
Schedule M	Schedule M of the Drugs and Cosmetic Act, 1940
SKU	Stock keeping unit
US FDA	United States Food and Drug Administration
VMS	Vitamins, minerals and supplements
WHO	World Health Organization

Conventional and General Terms or Abbreviations

Term	Description
₹/Rs./Rupees	Indian Rupees
AIFs	Alternative Investment Funds
Air Act	The Air (Prevention and Control of Pollution) Act, 1981
BSE	BSE Limited
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identity Number
Companies Act	Companies Act, 1956 and Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956, along with the relevant rules made thereunder
Companies Act, 2013	Companies Act, 2013, along with the relevant rules made thereunder
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*earlier known as the Department of Industrial Policy and Promotion*)
DP ID	Depository Participant Identification
DP/ Depository Participant	Depository participant as defined under the Depositories Act
EBITDA	Earnings before interest, taxes, depreciation, and amortisation
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FCNR	Foreign Currency Non-Resident
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT through notification dated October 15, 2020 effective from October 15, 2020
Factories Act	The Factories Act, 1948
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Non-debt Instruments Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year/ Fiscal/ FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI(s)	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
Gazette	Gazette of India
"GoI" or "Government" or "Central Government"	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS/ Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India
IPO	Initial public offering
IST	Indian Standard Time
IT Act	The Income Tax Act, 1961

Term	Description
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
MCLR	Marginal Cost of Funds Based Lending Rate
Mutual Fund (s)	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N/A	Not applicable
NACH	National Automated Clearing House
NEFT	National Electronic Funds Transfer
NPCI	National Payments Corporation of India
NRI	Individual resident outside India, who is a citizen of India
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	An entity de-recognised through Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. OCBs are not allowed to invest in the Offer
P/E	Price/earnings
P/E Ratio	Price/earnings ratio
PAN	Permanent account number
R&D	Research and development
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax deduction account number
Total Borrowings	Non-current borrowings including current maturities of non-current borrowings
U.S. QIBs	"Qualified institutional buyers" as defined in Rule 144A. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs"
U.S./USA/United States	United States of America, its territories and possessions, any State of the United States, and the District of Columbia
USD/US$	United States Dollars
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
Water Act	The Water (Prevention and Control of Pollution) Act, 1974
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations

OFFER DOCUMENT SUMMARY

The following is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is neither exhaustive, nor purports to contain a summary of all the disclosures in this Draft Red Herring Prospectus or the Red Herring Prospectus or the Prospectus when filed, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including "Risk Factors", "The Offer", "Capital Structure", "Objects of the Offer", "Industry Overview", "Our Business", "Financial Statements", "Outstanding Litigation and Material Developments", "Offer Procedure" and "Description of Equity Shares and Terms of Articles of Association" on pages 21, 55, 70, 80, 97, 128, 182, 273, 298 and 312, respectively.

<table>
<tr><td>Summary of the primary business of our Company</td><td>We are amongst the top five players in the domestic pharmaceutical formulations contract development and manufacturing organization ("CDMO") industry in India in terms of revenue (Source: CRISIL Report). With over two decades of experience in manufacturing both solid and liquid pharmaceutical dosage forms and significant experience in providing specialized capabilities, including, high potency, controlled substances and low-solubility, we provide a comprehensive range of CDMO services ranging from product discovery, product development, licensing and commercial manufacturing of generic products, including complex generics, in compliance with current Good Manufacturing Practices ("GMP") with a focus on improved safety, efficacy and cost.</td></tr>
<tr><td>Summary of the industry in which our Company operates</td><td>Pharmaceutical companies are increasingly outsourcing development and manufacturing of new products. Domestic formulations CDMO is projected to grow at a CAGR of approximately 14% between Fiscals 2020 and 2025. The key drivers for growth in the CDMO industry include growth of asset light pharmaceutical companies, increasing cost awareness and manufacturing efficiency, growing focus on product/ packaging innovation, enabling customer's end market aspirations through combinations products and new dosages, end-to-end service, time to market, maintaining margins, increasing generics and institutionalization of pharmaceutical industry, regulatory changes and increasing economies of scale shifting CDMO identity from 'supplier' to 'partner' status. (Source: CRISIL Report)</td></tr>
<tr><td>Name of Promoters</td><td>Ashok Kumar Windlass, Hitesh Windlass, Manoj Kumar Windlass and AKW WBL Family Private Trust</td></tr>
<tr><td>Offer size</td><td>Offer of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to ₹[●] million, comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹1,650 million by our Company and an Offer for Sale of up to 5,142,067 Equity Shares aggregating up to ₹[●] million, comprising of up to 1,136,000 Equity Shares by the Individual Selling Shareholder and up to 4,006,067 Equity Shares by the Investor Selling Shareholder. The Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.

The Offer includes a reservation of up to [●] Equity Shares, aggregating up to ₹[●] million, for subscription by Eligible Employees. Our Company and the Selling Shareholders in consultation with the BRLMs, may offer a discount of up to [●]% (equivalent of ₹ [●] per Equity Share) to the Offer Price to Eligible Employees and which shall be announced at least two Working Days prior to the Bid/ Offer Opening Date.

The Offer less the Employee Reservation Portion is the Net Offer. The Offer and Net Offer shall constitute [●] % and [●] % of the post-Offer paid-up equity share capital of our Company.

Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider a Pre-IPO Placement by our Company for an aggregate amount not exceeding ₹500 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR</td></tr>
<tr><td>Objects of the Offer</td><td>The objects for which the Net Proceeds from the Offer shall be utilized are as follows:
(₹ in million)
<table><tr><th>Particulars</th><th>Amount (₹ in million)</th></tr><tr><td>Purchase of equipment required for (i) capacity expansion of our existing facility at our Dehradun Plant – IV; and (ii) addition of injectables dosage capability at our existing facility at Dehradun Plant II</td><td>500.00</td></tr><tr><td>Funding incremental working capital requirements of our Company</td><td>475.62</td></tr><tr><td>Repayment/prepayment of certain of our borrowings</td><td>200.00</td></tr><tr><td>General corporate purposes(1)</td><td>[●]</td></tr><tr><td>Total</td><td>[●]</td></tr></table>(1)To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds of the Fresh Issue</td></tr>
<tr><td>Aggregate pre-Offer shareholding of our Promoters and Promoter Group, and Selling Shareholders as a percentage of our</td><td>(a) The aggregate pre-Offer shareholding of our Promoters and Promoter Group as a percentage of the pre-Offer paid-up Equity Share capital of our Company is set out below:
<table><tr><th>Name</th><th>Number of Equity Shares</th><th>Percentage of the pre-Offer Equity Share Capital (%)</th></tr><tr><td colspan="3">Promoters</td></tr><tr><td>Promoter Trust</td><td>8,381,340</td><td>46.03</td></tr></table></td></tr>
</table>

paid-up Equity Share capital

Ashok Kumar Windlass	4,400,000	24.17
Hitesh Windlass	3	Negligible
Manoj Kumar Windlass	3	Negligible
Total (A)	12,781,346	70.20
Promoter Group		
Vimla Windlass*	1,420,000	7.80
Prachi Jain Windlass	3	Negligible
Payal Windlass	3	Negligible
Total (B)	1,420,006	7.80
Total (C=A+B)	**14,201,352**	**78.00**

**Individual Selling Shareholder participating in the Offer for Sale*

(b) The aggregate pre-Offer shareholding of the Investor Selling Shareholder as a percentage of the pre-Offer paid-up Equity Share capital of our Company is set out below:

Name	Number of Equity Shares	Percentage of the pre-Offer Equity Share Capital (%)
Tano India Private Equity Fund II	4,006,067	22.00
Total	**4,006,067**	**22.00**

Summary of Selected Financial Information

The details of our Equity Share capital, net worth, revenue, profit for the period/year, earnings per Equity Share, net asset value per Equity Share and total borrowings for the nine month periods ended December 31, 2020 and December 31, 2019, and as at March 31, 2020, 2019 and 2018 derived from the Restated Consolidated Financial Information are as follows:

(₹ in million, except per share data)

S. No.	Particulars	As at December 31, 2020	As at December 31, 2019	As at March 31,		
				2020	2019	2018
(A)	Equity share capital	64.11	64.11	64.11	64.11	55.88
(B)	Net worth	1,929.85	2,093.73	2,096.59	1,935.85	1,247.53
(C)	Revenue	3,207.93	2,548.68	3,288.52	3,072.67	3,523.69
(D)	Profit for the period/year	96.74	157.50	162.13	638.22	111.98
(E)	Basic earnings per share*	5.46	8.65	8.90	38.61	7.06
(F)	Net asset value per share (basic)	105.99	114.99	115.15	117.11	78.61
(G)	Total borrowings	222.87	204.88	274.31	299.12	551.10

**Not annualised for December 31, 2020 and December 31, 2019*

Auditor's qualifications which have not been given effect to in the Restated Consolidated Financial Information

There are no auditor qualifications which have not been given effect to in the Restated Consolidated Financial Information.

Summary table of outstanding litigations

A summary of outstanding litigation proceedings as disclosed in "*Outstanding Litigation and Material Developments*" on page 273, in terms of the SEBI ICDR Regulations and the materiality policy approved by our Board pursuant to a resolution dated May 6, 2021, as of the date of this Draft Red Herring Prospectus is provided below:

(in ₹ million)

Nature of cases	Number of cases	Total amount involved^
Litigation involving our Company		
Against our Company		
Material civil litigation proceedings	1	Not quantifiable
Criminal cases	Nil	Nil
Action taken by statutory and regulatory authorities	5	42.20
Taxation proceedings	8	35.44
By our Company		
Material civil cases	Nil	Nil
Criminal cases	6	6.25
Litigation involving our Directors		
Against our Directors		
Criminal cases	1	Not quantifiable

^To the extent ascertainable

Our Group Companies are not party to any pending litigation which will have a material impact on our Company.

	For further details, see "*Outstanding Litigation and Material Developments*" on page 273
Risk Factors	For details of the risks applicable to us, see "*Risk Factors*" on page 21
Summary table of contingent liabilities	As of December 31, 2020, there were no contingent liabilities that have not been accounted for in our Restated Consolidated Financial Information.
Summary of related party transactions	The details of related party transactions of our Company for the nine month periods ended December 31, 2020 and December 31, 2019, and for the Financial Years ended March 31, 2020, 2019 and 2018, as per our restated consolidated financial statements are set forth in the table below:

(₹ in million)

Nature of transaction	Year ended/ Period ended	Subsidiary *	Associate	KMP	Companies with Interest by KMP	Total
Rent	December 31, 2020*	-	-	4.40	-	4.40
	December 31, 2019	-	-	4.40	-	4.40
	March 31, 2020	-	-	5.87	-	5.87
	March 31, 2019	-	-	6.33	-	6.33
	March 31, 2018	-	-	6.08	-	6.08
Salary, allowances and bonus	December 31, 2020*	-	-	24.29	-	24.29
	December 31, 2019	-	-	18.36	-	18.36
	March 31, 2020	-	-	24.48	-	24.48
	March 31, 2019	-	-	31.06	-	31.06
	March 31, 2018	-	-	32.83	-	32.83
Purchase of goods/job Work Charges	December 31, 2020*	-	-	-	-	-
	December 31, 2019	-	-	-	-	-
	March 31, 2020	-	-	-	-	-
	March 31, 2019	-	2.88	-	6.22	9.10
	March 31, 2018	2.97	-	-	1.61	4.58
Sale of goods	December 31, 2020*	-	-	-	-	-
	December 31, 2019	-	-	-	-	-
	March 31, 2020	-	-	-	-	-
	March 31, 2019	-	10.14	-	-	10.14
	March 31, 2018	0.73	-	-	-	0.73
Borrowings	December 31, 2020*	1,020.00	-	-	-	1,020.00
	December 31, 2019	-	-	-	-	-
	March 31, 2020	-	-	-	-	-
	March 31, 2019	-	120.00	-	-	120.00
	March 31, 2018	135.03	-	-	-	135.03
Borrowings Repayment	December 31, 2020*	15.00	-	-	-	15.00
	December 31, 2019	-	-	-	-	-
	March 31, 2020	-	-	-	-	-
	March 31, 2019	-	120.00	-	-	120.00
	March 31, 2018	-	-	-	-	-
Interest Expense	December 31, 2020*	68.24	-	-	-	68.24
	December 31, 2019	-	-	-	-	-
	March 31, 2020	-	-	-	-	-
	March 31, 2019	-	2.91	-	-	2.91
	March 31, 2018	-	-	-	-	-
Conversion of loan & trade	December 31, 2020*	-	-	-	-	-
receivable into optionally	December 31, 2019	-	-	-	-	-
convertible preference shares	March 31, 2020	-	-	-	-	-
	March 31, 2019	-	-	-	-	-
	March 31, 2018	135.03	-	-	-	135.03
Purchase of Land	December 31, 2020*	-	-	-	-	-
	December 31, 2019	-	-	-	-	-
	March 31, 2020	-	-	-	-	-
	March 31, 2019**	-	100.00	-	-	100.00
	March 31, 2018	-	-	-	-	-

**Includes transactions for Windlas Healthcare Private Limited from April 16, 2020 till April 30, 2020.*

	***Transaction between Windlas Healthcare Private Limited (WHPL) and Ashok Kumar Windlass in November 2018 when WHPL was an associate.* For details of the related party transactions, see "*Financial Statements – Annexure V- Notes to Restated Consolidated financial statements – Related Party Transactions*" on page 220.
Details of all financing arrangements whereby our Promoters, members of our Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of the Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus	Our Promoters, members of our Promoter Group, our Directors and their relatives have not financed the purchase by any person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus
Weighted average price at which the specified securities were acquired by our Promoters and Selling Shareholders, in the last one year	Except for the bonus allotment made on April 26, 2021 and transfer of one share from Vani Windlass to Ashok Kumar Windlass on March 27, 2021 as set out in the table below, none of our Promoters and Selling Shareholders have acquired any Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus:

Name	No. of Equity Shares acquired/allotted in the last one year	Weighted average price of Equity Shares acquired in the last one year (in ₹)
Promoters		
Promoter Trust	8,381,340	Nil
Ashok Kumar Windlass	3,780,397	Nil
Hitesh Windlass	1	Nil
Manoj Kumar Windlass	1	Nil
Selling Shareholders		
Individual Selling Shareholder	420,000	Nil
Investor Selling Shareholder	1,184,893	Nil

**As certified by KRA & Co., Chartered Accountants pursuant to their certificate dated May 13, 2021*

Notes:

1. In case of weighted average prices specified as "Nil". The equity shares are acquired in the previous one year through bonus issues/gift.

2. The weighted average price for Equity Shares acquired during last one year has been calculated by taking into account the amount paid by the Promoter/selling shareholder to acquire the Equity Shares and the cost of acquisition has been divided by total number of shares acquired during last one year.

Average cost of acquisition of Equity Shares of our Promoters and the Selling Shareholder

a) The average cost of acquisition of Equity Shares held by our Promoters is as follows:

Name of the Promoter	Number of Equity Shares	Average cost of acquisition per Equity Share (in ₹)[#]
Promoter Trust	8,381,340	Nil
Ashok Kumar Windlass	4,400,000	2.75
Hitesh Windlass	3	Nil
Manoj Kumar Windlass	3	Nil

**As certified by KRA & Co., Chartered Accountants pursuant to their certificate dated May 13, 2021*

b) The average cost of acquisition of Equity Shares held by our Selling Shareholders is as follows:

Name of the Selling Shareholders	Number of Equity Shares	Average cost of acquisition per Equity Share (in ₹)[#]
Individual Selling Shareholder	1,420,000	0.021
Investor Selling Shareholder	4,006,067	204.69

**As certified by KRA & Co., Chartered Accountants pursuant to their certificate dated May 13, 2021*

Details of the pre-IPO placement	Our Company and the Selling Shareholders may, in consultation with the BRLMs consider a Pre-IPO Placement by our Company of an aggregate amount not exceeding ₹500 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and the Selling Shareholders in consultation with the BRLMs and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

Any issuance of Equity Shares in the last one year for consideration other than cash or bonus issue	Except for the bonus allotment made on April 26, 2021, our Company has not issued any Equity Shares for consideration other than cash or bonus issue in the one year preceding the date of this Draft Red Herring Prospectus. For further details, see "*Capital Structure*" on page 70.
Any split/consolidation of Equity Shares in the last one year	Our Company has, pursuant to a Board resolution dated April 16, 2021 and Shareholders resolution dated April 17, 2021, sub-divided the equity shares of face value of ₹10 each to Equity Shares of face value of ₹5 each

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Draft Red Herring Prospectus to "India" are to the Republic of India and all references to the "US", "U.S." "USA" or "United States" are to the United States of America and its territories and possessions.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Our Company's financial year commences on April 1 and ends on March 31 of the next year. Unless stated otherwise, all references in this Draft Red Herring Prospectus to the terms Fiscal or Fiscal Year or Financial Year are to the 12 months ended March 31 of such year. Unless stated otherwise, or the context requires otherwise, all references to a "year" in this Draft Red Herring Prospectus are to a calendar year.

Unless stated otherwise or where the context otherwise requires, the financial data in this Draft Red Herring Prospectus is derived from the Restated Consolidated Financial Information.

The Restated Consolidated Financial Information of our Company comprises restated consolidated statement of assets and liabilities as at December 31, 2020, December 31, 2019, March 31, 2020, March 31, 2019 (proforma) and March 31, 2018 (proforma), and the restated consolidated statement of profit and loss (including other comprehensive income), cash flows and changes in equity for the nine months ended December 31, 2020 and December 31, 2019, and for the years ended March 31, 2020, March 31, 2019 (proforma) and March 31, 2018 (proforma), together with the summary statement of significant accounting policies and other explanatory information thereon, derived from our audited special purpose interim consolidated financial statements as at and for the nine months ended December 31, 2020 and December 31, 2019 prepared in accordance with Ind AS – 34, read with the Companies (Indian Accounting Standards) Rules, 2015, and our audited consolidated financial statements as at and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 prepared in accordance with Indian GAAP and read together with paragraph 7 of the Companies (Accounts) Rules, 2014, and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI and the circular no. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 issued by SEBI.

For further information, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Presentation of Financial Information*" on pages 182 and 237, respectively.

There are significant differences between the Ind AS, the International Financial Reporting Standards (the "**IFRS**") and the Generally Accepted Accounting Principles in the United States of America (the "**U.S. GAAP**"). Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with accounting standards in India, the Ind AS, the Companies Act 2013 and the SEBI ICDR Regulations, on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to quantify or identify the impact of the differences between the financial data (prepared under Ind AS and IFRS/U.S. GAAP), nor have we provided a reconciliation thereof. We urge you to consult your own advisors regarding such differences and their impact on our financial data included in this Draft Red Herring Prospectus.

The restated consolidated financial information for the nine months ended December 31, 2020 and December 31, 2019, is not indicative of full year results and accordingly, such financial information is not comparable to the restated consolidated financial information for the Financial Years ended March 31, 2020, March 31, 2019 and March 31, 2018. For further details, see "*Risk Factors*" on page 21.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

Unless the context otherwise indicates, any percentage amounts, or ratios as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 21, 128 and 235, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from our Restated Consolidated Financial Information.

Non-GAAP Financial Measures

Certain non-GAAP financial measures relating to our financial performance, such as, EBITDA, EBITDA Margin, EBIT margin, total debt to equity ratio, material margin, gross fixed assets turnover ratio, return on net worth, long term debt to equity ratio, average net worth, PAT margin, return on capital employed, net worth and net asset value per share, have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures relating to our financial performance as we consider such information to be useful measures of our business and financial performance, and because

such measures are frequently used by securities analysts, investors and others to evaluate the operational performance, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. Such non-GAAP measures are not measures of operating performance or liquidity defined by generally accepted accounting principles. These non-GAAP financial measures and other information relating to financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies. For further details see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 235.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India; and
- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in "lakh", "million" and "crores" units or in whole numbers where the numbers have been too small to represent in such units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000. One lakh represents 100,000 and one crore represents 10,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Exchange Rates

This Draft Red Herring Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and other foreign currencies:

(Amount in ₹, unless otherwise specified)

Currency	As on December 31, 2020	As on March 31, 2020	As on March 29, 2019*	As on March 28, 2018*
1 US$	73.05	75.38	69.17	65.04

(Source: www.rbi.org.in and www.fbil.org.in)
**If the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed.*

Industry and Market Data

Unless otherwise indicated, industry and market data used throughout this Draft Red Herring Prospectus has been obtained or derived from the report titled "*Assessment of the Global and Indian pharmaceuticals industry*", issued in April 2021 prepared by CRISIL which has been commissioned by our Company. For risks in this regard, see "*Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate."* on page 47.

The CRISIL Report has been commissioned by our Company.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be based on such information. We believe the industry and market data used in this Draft Red Herring Prospectus is reliable, however, it has not been independently verified by our Company, the Selling Shareholders or the Book Running Lead Managers or any of their respective affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

Disclaimer of CRISIL

"CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data/Report and is not responsibe for any errors or omissions or for the result obtained from the use of Data/any material contained in or referred to in the Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Windlas Biotech Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India CRISIL Research operates independently of, and does not have access to information obtained by CRISIL Ratings Limited / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL Ratings Limited / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."

Such information has been derived from publicly available sources, and neither we, nor the BRLMs or any of their affiliates have independently verified such information. Accordingly, no investment decision should be made solely on the basis of such information.

Notice to Prospective Investors in the United States

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as "**U.S. QIBs**") in transactions exempt from the registration requirements of the U.S. Securities Act and (b) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs".

Notice to Prospective Investors in the European Economic Area

This Draft Red Herring Prospectus has been prepared on the basis that all offers of Equity shares in Member States of the European Economic Area ("**EEA**") (each a "**Member State**") or the United Kingdom ("**UK**") will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus for offers of Equity Shares. The expression "Prospectus Regulation" means Regulation (EU) 2017/1129 of the European Parliament and Council EC (and amendments thereto). Accordingly, any person making or intending to make an offer within the EEA or the UK of Equity Shares which are the subject of the placement contemplated in the Draft Red Herring Prospectus should only do so in circumstances in which no obligation arises for our Company or any of the members of the BRLMs to produce a prospectus for such offer. None of our Company and the BRLMs have authorized, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the members of the Syndicate which constitute the final placement of Equity Shares contemplated in the Draft Red Herring Prospectus.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Equity Shares have been subject to a product approval process, which has determined that such Equity Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, "distributors" (for the purposes of the MiFID II Product Governance Requirements) ("**Distributors**") should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks

of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal, or regulatory selling restrictions in relation to the Issue. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Equity Shares. Each Distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, plans and prospects are "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "likely to", "seek to", "shall", "objective", "plan", "project", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements whether made by us or any third parties in this Draft Red Herring Prospectus are based on our current plans, estimates, presumptions and expectations and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement, including but not limited to, regulatory changes pertaining to the pharmaceutical industry and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the pharmaceutical industry. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Success of our relationships with our CDMO customers, including leading Indian pharmaceutical companies and multinational companies;
- Strict technical specifications and technical specifications prescribed by our CDMO customers;
- Ability to identify and understanding evolving industry trends, technological advancements, customer preference and innovate new products;
- Continuing impact of the COVID-19 pandemic;
- Failure to comply with existing and future regulatory requirements in any pharmaceutical market;
- Ability to establish ourselves in the injectables business segment; and
- Competition in the CDMO industry.

Certain information in "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations* on pages 97, 128 and 235, respectively, of this Draft Red Herring Prospectus have been obtained from the report titled "*Assessment of the Global and Indian pharmaceuticals industry*", issued in April 2021 by CRISIL, which has been commissioned by our Company.

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 21, 128 and 235, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Forward-looking statements reflect current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

These statements are based on our management's belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based on are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance. Neither our Company, the Selling Shareholders, our Promoters, our Directors, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the requirements of SEBI, our Company shall ensure that investors in India are informed of material developments from the date of the Red Herring Prospectus in relation to the statements and undertakings made by them in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer. Further, each of the Selling Shareholders shall, severally and not jointly, ensure that investors in India are informed of material developments from the date of the Red Herring Prospectus in relation to the statements and undertakings specifically made or confirmed by such Selling Shareholder in the Red Herring Prospectus and the Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. Potential investors should carefully consider all the information in the Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate or to India. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, results of operations and financial condition could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with "Industry Overview", "Our Business", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 97, 128, 182 and 235, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved.

Potential investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

This Draft Red Herring Prospectus also contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further information, see "Forward-Looking Statements" on page 20.

Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2018, 2019 and 2020 and for the nine months ended December 31, 2019 and 2020 included herein is derived from the Restated Consolidated Financial Information, included in this Draft Red Herring Prospectus, which have been derived from our audited financial statements and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. For further information, see "Financial Statements" on page 182.

Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to Windlas Biotech Limited on a standalone basis, and references to "the Group", "we", "us", "our", are to Windlas Biotech Limited, its Subsidiary and Joint Venture on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Assessment of the Global and Indian pharmaceuticals industry" dated April 2021 ("**CRISIL Report**"), prepared and issued by CRISIL Research, a division of CRISIL Limited, commissioned by us. Unless otherwise indicated, all financial information of the Company derived from the CRISIL Report and included herein is based on the Indian GAAP audited financial information of the Company for the relevant periods and are therefore not comparable to our Restated Consolidated Financial Information. Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 16.*

INTERNAL RISK FACTORS

1. *We depend on the success of our relationships with our CDMO customers, including leading Indian pharmaceutical companies and multinational companies. Any adverse developments or inability to enter into or maintain such relationships could have an adverse effect on our business, results of operations and financial condition.*

Our CDMO Services and Products SBV is focused on providing products and services across a diverse range of pharmaceutical and nutraceutical generic products for Indian and multinational pharmaceutical companies who market such products under their own brand names to the end users. In Fiscal 2020 and the nine months ended December 31, 2020, our CDMO Services and Products SBV accounted for 87.36% and 85.73%, respectively, of our total revenue from operations. Further, the number of domestic CDMO customers that we have catered to have increased from 92 in Fiscal 2018 to 143 in Fiscal 2020, and was 171 in the nine months ended December 31, 2020. In Fiscal 2020, we provided CDMO services to seven of the top 10 Indian formulations pharmaceutical companies (*Source: CRISIL Report*). Our business, financial condition and results of operations are dependent on our relationships with such Indian pharmaceutical companies and multinational companies. However, some of our customers may start manufacturing at their own facilities and may discontinue the use of our CDMO services. Further, we typically plan and incur capital expenditure for future periods. Delays in successfully entering into contracts for utilization of upcoming capacity may result in lack of proportionate increase in our revenues and results of operations, *vis-à-vis* capacity increase. In addition, there can be no assurance that we will be able to maintain historic levels of business with our significant customers. If we are unable to maintain relationships with the Indian pharmaceutical companies and multinational companies on the existing terms and conditions

and there is delay in replacing these discontinuations with new products/ new customers, it could have an adverse impact on our business, financial condition and results of operations. Further, if any such customer relationship terminations result in adverse impact on our reputation, it could have a follow-on effect on our ability to engage with new customers.

In addition, our revenue from CDMO Services and Products SBV has historically been derived from a small customer base. In Fiscals 2018, 2019 and 2020, and in the nine months ended December 31, 2019 and 2020, our top 10 customers represented 60.47%, 57.01%, 57.14%, 58.01% and 56.82%, respectively, of our total revenues from operations in such periods. Our largest customer represented 15.27%, 12.33%, 11.65%, 11.36% and 12.13%, respectively, of our total revenues from operations in Fiscals 2018, 2019 and 2020, and in the nine months ended December 31, 2019 and 2020, respectively. While we have developed relationships with certain of our customers, there can be no assurance that our significant customers in the past will continue to place similar orders with us in the future. The loss of one or more of these significant customers or a significant decrease in business from any such key customer, whether due to circumstances specific to such customer or adverse market conditions affecting the pharmaceutical industry or the economic environment generally, such as the COVID-19 pandemic, may materially and adversely affect our business, results of operations and financial condition. Further, our reliance on a select group of customers may also constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance. The deterioration of the financial condition or business prospects of these customers could reduce their requirement of our products and result in a significant decrease in the revenues we derive from these customers. We cannot assure you that we will be able to maintain historic levels of business from our significant customers, or that we will be able to significantly reduce customer concentration in the future.

Although we have various long-term agreements, the volume under each contract is subject to change, some-times significantly based on the expected forecast volume required by our customers. In addition, certain of our agreements may be terminated by the customer without notice, subject to the terms and conditions in the respective agreements. In addition, the amount of customer spending on pharmaceutical development and manufacturing, particularly the amount our customers choose to spend on outsourcing CDMO services, has a large impact on our sales and profitability. Our customers determine the amounts that they will spend based upon, among other things, available resources, access to capital, and their need to develop new products, which, in turn, are dependent upon a number of factors, including their competitors' research, development and product initiatives, time to market, margins, and the anticipated market uptake, and clinical and reimbursement scenarios for specific products and therapeutic areas. Consolidation in the pharmaceutical industry may also impact such spending as customers integrate acquired operations, including research and development departments and manufacturing operations. Any reduction in customer spending on outsourcing CDMO services as a result of these and other factors could have a material adverse effect on our business, results of operations and financial condition.

2. ***We are subject to strict technical specifications, quality requirements, regular inspections and audits by our CDMO customers including leading Indian pharmaceutical companies. Our failure to comply with the quality standards and technical specifications prescribed by such customers may lead to loss of business from such customers and could negatively impact our reputation, business prospects and results of operations, including cancellation of existing and future orders which may expose us to warranty claims.***

Our products and manufacturing processes are subject to stringent quality standards and specifications, typically specified by our CDMO customers in their respective agreements. Further, for any change in the product specifications, manufacturing process, manufacturing site, manufacturing method or raw material used, we are typically required to obtain prior consent from our CDMO customers. While we believe we undertake the necessary measures and engage internal and external experts to ensure that our facilities comply with the applicable standards as imposed by our customers, any failure on our part to maintain the applicable standards and manufacture products according to prescribed specifications, may lead to cancellation of the order, loss of customers, loss of reputation and goodwill of our Company. Additionally, it could expose us to indemnity, warranty claims, monetary liability and/ or litigation. Our CDMO customers are typically provided the right to audit our manufacturing facilities, processes or systems, under such agreements, by providing a certain amount of notice and they have routinely conducted audits at our manufacturing facilities. While we have received observations in the past from our customers pursuant to such audits, there can be no assurance that such audits would not result in any adverse observations or that our customers will necessary engage us for their outsourcing operations. The audit may involve inspection of our manufacturing facility and equipment, review of the manufacturing processes and raw materials, technical review of the specification of the proposed product, review of our logistical capabilities, and inspections and reviews of prototypes of the product. The finished product delivered by us is further subject to laboratory validation by certain customers. Occurrence of any event on account of errors and omission could result in damage to our reputation and loss of customers, which could adversely affect our business, operations, our cash flows and financial condition. In the past, we have received certain complaints from our customers for which our Company has undertaken corrective measures, as appropriate, and there can be no assurance that we would not receive such complaints in the future as well.

In addition, our manufacturing facilities are regularly inspected for compliance with current GMP and all of our manufacturing facilities are Schedule M compliant, while our Dehradun Plant – I, Dehradun Plant – II and Dehradun Plant – IV are compliant with standards set by WHO GMP as well. For further information, see "*Our Business - Quality Control, Testing and Certifications*" and "*Government and Other Approvals*" on pages 143 and 278, respectively. If we fail to comply with applicable quality standards specified by our customers or if the relevant accreditation institute or agency declines to certify our products, or if we are otherwise unable to obtain such quality accreditations in the future, within time or at all, our business prospects and financial performance will be materially and adversely affected. The quality of

our products is critical to the success of our business, and depends on the effectiveness of our quality assurance system, which, in turn, depends on a number of factors, including the design of our facility, our training program, and the checks and balances implemented at stage of development/ manufacturing and testing processes in line with the current GMP guidelines. Any significant failure or deterioration of our quality system could result in defective or substandard products, which, in turn, may result in delays in the delivery of our products and the need to replace defective or substandard products. As a result, our reputation, business, results of operations and financial condition could be materially and adversely affected.

3. ***Our operations are dependent on research and development ("R&D"), and our inability to identify and understand evolving industry trends, technological advancements, customer preferences, regulatory change and innovate new products to meet our customers' demands may adversely affect our business.***

The pharmaceutical and healthcare industry is characterised by technological advancements, introduction of innovative products, price fluctuations and intense competition. The laws and regulations applicable to our products and the products of our customers' change from time to time. Any regulatory changes may render our products and technologies non-compliant or obsolete. Our ability to anticipate changes in technology and regulatory standards, understand industry trends and requirements, changes in consumer preferences and to successfully innovate and introduce new and enhanced products to create new or address unidentified needs among our current and potential customers in a timely manner, is a significant factor in our ability to remain competitive. This depends on a variety of factors, including meeting development, production, certification and regulatory approval schedules; execution of internal and external performance plans; availability of supplier and internally produced materials; performance of suppliers; hiring and training of qualified personnel; achieving cost and production efficiencies; identification of emerging regulatory and technological trends in our target end markets; validation and performance of innovative technologies; the level of customer interest in new technologies and products; and the costs and customer acceptance of the new or improved products. There can be no assurance that we will be able to secure the necessary technological knowledge through our own R&D or through strategic acquisitions that will allow us to continue to develop our product portfolio or that we will be able to respond to industry trends by developing and offering cost effective products, which could adversely affect our business and results of operations.

We have invested substantial effort, funds and other resources towards our R&D activities. Our R&D laboratories (which include formulation development, analytical development and chemical research areas) are located at Dehradun Plant - I, and are recognized as an in-house R&D unit by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. In Fiscals 2018, 2019 and 2020, and the nine months ended December 31, 2019 and 2020, our research and development expenses were ₹ 19.58 million, ₹ 41.87 million, ₹ 38.74 million, ₹ 28.73 million and ₹ 24.94 million, respectively. However, our ongoing investments in research and development for new products and processes may result in higher costs without a proportionate increase in revenues. Delays in any part of the process, our inability to obtain necessary regulatory approvals for our products or failure of a product to be successful at any stage could adversely affect our business. Consequently, any failure on our part to successfully introduce new products and processes may have an adverse effect on our business, results of operations and financial condition. Further, our competitors may develop competing technologies that gain market acceptance before or instead of our products. We may also not be successful in anticipating or reacting to changes in the regulatory environments in which our products are sold, and the markets for our products may not develop or grow as we anticipate. We are also subject to the risks generally associated with new technologies and product introductions, including lack of market acceptance, delays in product development and failure of products to operate properly.

In the past, we have also received certain Government grants from Biotechnology Industry Research Assistance Council aggregating to ₹ 6.02 million, nil and ₹ 1.33 million in Fiscals 2018, 2019 and 2020, respectively. For further information, see "*Financial Statements – Note 24 – Other current liabilities*" on page 214. There can be no assurance that we will receive similar R&D grants in the future. Further, to enable smooth operations at our R&D centres, we are also highly dependent on skilled workforce. The loss of the services of such skilled personnel or our inability to recruit or train a sufficient number of experienced personnel may have an adverse effect on our financial results and business prospects.

4. ***The continuing impact of the COVID-19 pandemic, or any future pandemic or widespread public health emergency could materially and adversely impact our business and operations and it may be significant and continue to have an adverse effect on our business, operations and our future financial performance.***

Since first being reported in December 2019, the outbreak of COVID-19 has spread globally. The World Health Organization declared the novel coronavirus disease ("**COVID-19**") outbreak a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020. The rapid and diffused spread of COVID-19 and global health concerns relating to this pandemic have had a severe negative impact on, among other things, financial markets, liquidity, economic conditions and trade and could continue to do so or could worsen for an unknown period of time, that could in turn have a material adverse impact on our business, cash flows, results of operations and financial condition, including liquidity and growth. In addition, while the Government of India in coordination with the state governments have started the bulk immunization process or vaccination drive, achieving a complete vaccination scale may take significant amount of time. There is also no assurance that the vaccines that are developed will be fully effective.

On March 14, 2020, India declared COVID-19 as a 'notified disaster' and imposed a nationwide lockdown announced on March 24, 2020. Subsequently, progressive relaxations have been granted for movement of goods and people and cautious re-opening of businesses and offices. However, since manufacturing of pharmaceuticals was determined to be an essential commodity pursuant to the Ministry of Home Affairs order dated March 27, 2020, operations at our Dehradun Plant – I and Dehradun Plant – II were temporarily suspended for only one day in March 2020. We were allowed to resume operations in a phased manner, subject to certain adjustments in working patterns, social distancing measures and additional safety measures, such as, regular temperature checks, regular sanitization, and compulsory use of masks and hand sanitization. The COVID-19 pandemic resulted in some disruptions in the supply of raw materials from our domestic and international suppliers during the months of March and April 2020. We also experienced disruptions in supply chain and inventory management, as well as delays in orders and payments.

Further, our business has benefited from an increase in sale of certain products, which were focused on limiting the spread of COVID-19. However, once an effective vaccine or treatment is available for COVID-19, the sale of such products may be negativity impacted, which could result in an adverse effect on our business, financial condition, and results of operations. We continue to closely monitor the impact that COVID-19 may have on our business and results of operations. Adverse effects of the COVID-19 pandemic may also significantly increase the effect of the aforementioned factors affecting our results of operations. The impact of the pandemic on our business, operations and future financial performance has included and may include the following:

- result in a complete or partial closure of, or disruptions or restrictions on our ability to conduct, our manufacturing operations and R&D activities, resulting from government action;
- our inability to source key raw materials as a result of the temporary or permanent closure of the facilities of suppliers of our key raw materials;
- a significant percentage of our workforce being unable to work, including because of travel or government restrictions in connection with COVID-19, including stay at home order, which could result in a slowdown in our operations;
- impact our ability to travel, pursue partnerships and undertake other business transactions and delay shipments of our products;
- delays in orders or delivery of orders, which will negatively impact our cash conversion cycle and ability to convert our backlog into cash;
- uncertainty as to what conditions must be satisfied before government authorities completely lift lockdown orders; and
- the potential negative impact on the health of our employees, particularly if a significant number of them are afflicted by COVID-19, could result in a deterioration in our ability to ensure business continuity during this disruption.

The spread of an infectious disease, including COVID-19, may also result in the inability of our suppliers to deliver components or raw materials on a timely basis or materially and adversely affect our third party contract research organizations to perform clinical studies and clinical trials. In addition, hospitals may reduce staffing and reduce or postpone certain treatments in response to the spread of an infectious disease. Any resulting financial impact due to the above cannot be reasonably estimated at this time. The extent to which the COVID-19 impacts our business and results will depend on future developments, which are highly uncertain and cannot be predicted, such as new information which may emerge concerning the mutations and the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. In addition, we cannot predict the impact that the COVID-19 pandemic will have on our customers, suppliers and other business partners, and each of their financial conditions; however, any material effect on these parties could adversely impact us. As a result of these uncertainties, the impact may vary significantly from that estimated by our management from time to time, and any action to contain or mitigate such impact, whether government-mandated or opted by us, may not have the anticipated effect or may fail to achieve its intended purpose altogether. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events.

As of the date of this Draft Red Herring Prospectus, there is significant uncertainty relating to the severity of long-term adverse impact of the COVID-19 pandemic on the global economy, global financial markets and the Indian economy, and we are unable to accurately predict the long-term impact of the COVID-19 pandemic on our business. To the extent that the COVID-19 pandemic adversely affects our business and operations, it may also have the effect of heightening many of the other risks described in this "*Risk Factors*" section.

5. ***The pharmaceutical market is subject to extensive regulation and failures to comply with the existing and future regulatory requirements in any pharmaceutical market could adversely affect our business in that market, results of operations and financial condition.***

We operate in a highly regulated industry and our operations are subject to extensive regulation governing the pharmaceutical market. The development, testing, manufacturing, marketing and sale of pharmaceutical products are subject to extensive regulation in India and other countries. We are required to comply with the regulatory requirements of various local, state, provincial and national regulatory authorities, such as, the state level food and drug administrations ("**FDA**"), the Drugs Controller General of India ("**DCGI**") and Central Drugs Standard Control Organization of India

("**CDSCO**"), and for certain facilities involved in producing products for exports, international regulatory authorities, such as, United States Food and Drug Administration ("**US FDA**"), Food and Drug Administration, Department of Health, Republic of Philippines and Food, Medicine and Healthcare Administration and Control Authority of Ethiopia. We are subject to international and national guidelines and regulations concerning development, testing, manufacturing processes, equipment and facilities, including the WHO GMP as well as the Schedule M of the Drugs and Cosmetic Act, 1940 ("**Schedule M**"). Further, as we expand our operations and geographic scope, we may be exposed to more complex and new regulatory and administrative requirements and legal risks, any of which may require expertise in which we have limited experience as well as impose significant compliance costs on us.

These regulatory requirements impact many aspects of our operations, including manufacturing, developing, storage, distribution, import and export and record keeping related to our products. Regulatory agencies may delay, limit or deny approval for many reasons, including:

- changes to the regulatory approval process, including new data requirements for product candidates in those jurisdictions, including India and United States, in which our customers may be seeking approval;

- Drug manufacturers constantly have to monitor the efficacy and safety of their products throughout the drug life cycle which involves significant regulatory challenges. Any drug during its life cycle can be recalled for safety reasons by the drug regulators. For example, Ranitidine based drugs were banned by US drug regulator US FDA due to Nitroso impurities present in them; such drugs could only be sold after the impurities were eliminated and the efficacy and safety levels were re-established as necessitated by regulatory approval. (*Source: CRISIL Report*);

- resource constraints at the agency resulting in delayed review of submitted information; and

- the manufacturing processes, facilities, systems or personnel may not meet the applicable GMP guidelines.

Inspections by regulatory authorities that identify any deficiencies could result in remedial actions, production stoppages or facility closure, which would disrupt the manufacturing process and supply of product to our customers. In addition, such failure to comply could expose us to contractual and product liability claims, including claims by customers or recall or other corrective actions, the cost of which could be significant. In particular, our Dehradun Plant – 4, which was operated by our erstwhile wholly-owned Subsidiary, Windlas Healthcare, was placed on import alert 66-40 on January 21, 2020 and received a warning letter 320-20-28 dated March 10, 2020 issued by the US FDA ("**US FDA Warning Letter**"), which highlighted certain significant violations of current GMP regulations for finished pharmaceuticals. The US FDA Warning Letter alleged that since our methods, facilities, or controls for manufacturing, processing, packing, or holding do not conform to the current GMP for finished pharmaceuticals, our drugs are adulterated within the meaning of section 501 (a)(2)(B) of the Federal Food, Drug, and Cosmetic Act (FD&C Act), 21 U.S.C. 351(a)(2)(B). The US FDA Warning Letter also recommended engaging a qualified consultant to perform a comprehensive audit of our entire operations at our Dehradun Plant - IV for current GMP compliance. Subsequently, we responded to the US FDA with a detailed corrective and preventive action plan and informed them about engaging a third party qualified consultant to assist us in the implementation of the remediation plans. However, until the US FDA conducts another inspection of our Dehradun Plant - IV post completion of our remediation activities, supply of our products to the United States shall not resume. In the past, our Dehradun Plant – IV had been inspected four times by the US FDA in 2014, 2016, 2017 and 2018, and we were exporting one product to the United States since October 2017. In Fiscals 2018 and 2019, sales of products from the United States accounted for 1.19% and 3.02%, respectively, of our total revenue from operations. Further, the US FDA may withhold approval of any new drug applications or supplements listing of our Company as a drug manufacturer, until all violations have been completely rectified and the US FDA confirms our compliance with the current GMP. Failure to correct these violations may also result in the US FDA continuing to refuse admission of articles manufactured at our Dehradun Plant - IV into the United States under section 801(a)(3) of the FD&C Act, 21 U.S.C. 381(a)(3). Recently, the Narcotics Control Bureau has, pursuant to its letters dated February 17, 2021 and March 17, 2021, seized certain batches of our products, and is still under investigation. Further, the Drugs Control Administration, Government of Andhra Pradesh ("**DCA**") issued a notice dated January 30, 2019 to our Company for contravention of section 3 of the Essential Commodities Act, 1955 ("**Act**") read with the Drugs (Price Control) Order, 2013 and punishable under the section 7(1)(a)(ii) of the Act in respect of certain products which were seized by the DCA on January 24, 2019 as the maximum retail price ("**MRP**") was found higher than the ceiling price fixed by government of India *vide* S.O. dated April 2, 2018 of the Ministry of Chemicals and Fertilizers, Department of Pharmaceuticals, National Pharmaceutical Pricing Authority ("**NPPA**"). Further, upon non-receipt of reply to the notice dated January 30, 2019, the DCA issued notices on June 4, 2019 and September 5, 2019 respectively (collectively, the "**DCA Notices**"). Pursuant to the DCA Notices in relation to the alleged violation of the Act, our Company was directed to provide information to the DCA. Further, On February 26, 2020, the State of Andhra Pradesh represented by the Drugs Inspector, Rajamahendravaram (Urban) filed a complaint before the Principal Junior Civil Judge's Court, Alamuru against our Company under Section 11 of the Act praying that the Company is liable for punishment under Section 7(1)(a)(ii) of the Act. There is no assurance that no action will be taken against us or penalty will not be levied on us. For further details of the statutory and regulatory actions taken against the Company, see "*Outstanding Litigation and Material Developments – Actions Taken by Regulatory and Statutory Authorities*" on page 273.

In addition, applicable regulations have become increasingly stringent and if new legislation or regulations are enacted or existing legislation or regulations are amended or are interpreted or enforced differently, we may be required to obtain

additional approvals or operate according to different manufacturing or operating standards. This may require a change in our development and manufacturing techniques or additional capital investments in our facilities. Any related costs may be significant. For example, some of the reforms mentioned in the Draft Pharma Policy such as discontinuation of loan licensing (contract manufacturing), regulating marketing practices, banning of brand names, if implemented, will negatively disrupt the domestic pharmaceuticals industry (*Source: CRISIL Report*). In addition, in September 2018, the Union Health Ministry banned 325 fixed-dose combination drugs, following the recommendations of an expert committee, which found that the combinations lacked "therapeutic justification" (*Source: CRISIL Report*). Further, in our supply and distribution agreement with a Sri Lankan company, the customer may terminate the agreement if any regulatory approval obtained by our Company is suspended, cancelled or withdrawn. If we fail to comply with applicable regulatory requirements in the future, then we may be subject to warning letters and/or civil or criminal penalties and fines, suspension or withdrawal of regulatory approvals, product recalls, seizure of products, restrictions on the import and export of our products, debarment, exclusion, disgorgement of profits, operating restrictions and criminal prosecution and the loss of contracts and resulting revenue losses.

6. *We propose to enter into the manufacture of injectables, which will be a new business for our Company and if we are unable to establish ourselves in this business segment, our business condition, results of operations and cash flows may be adversely affected.*

We propose to utilize ₹ 500.00 million of our Net Proceeds towards purchase of equipment required for (i) capacity expansion of our existing facility at our Dehradun Plant – IV; and (ii) addition of injectables dosage capability at our existing facility at Dehradun Plant II. For further information, see "*Objects of the Offer*" on page 80. However, there can however be no assurance that our injectables business will be succesful, as our competitors may have more established products in this segment, more experience in consumer trends and deeper relationship with customers and distribution channels in this product segment. We may also find it more difficult to hire, train and retain qualified employees compared to our competitors in this segment. Further, our injectables formulations could be rendered obsolete or negatively impacted by numerous factors, many of which are beyond our control, including development of new pharmaceutical products by others that are more effective than ours and changes in the prescribing practices of physicians and manufacturing or supply interruptions. The manufacturing process of injectables products is highly complex, and we may experience problems during manufacturing for a variety of reasons, including equipment malfunction, failure to follow specific protocols and procedures, manufacturing quality concerns, problems with raw materials, natural disaster related events or other environmental factors. If we experience any of the abovementioned problems and are unable to sell any of the injectables products in the future, our business, financial condition, cash flows and results of operations could be materially adversely affected.

Entering a new business can be risky and expensive, and we cannot assure you that our new products will gain market acceptance or meet the particular tastes or requirements of consumers. Our success in marketing this line of business depends on our ability to adapt to rapidly changing marketing trends. The impact of our marketing initiatives may not as effective as we anticipate. If we do not successfully establish our reputation and brand image in this line of business, our product sales, financial condition and results of operations could be materially and adversely affected.

7. *We operate in a market that is highly competitive. We compete to provide outsourced pharmaceutical manufacturing services or CDMO services, particularly for formulations, to pharmaceutical companies in India and other jurisdictions.*

We compete to provide services to pharmaceutical companies in the CDMO industry. Our competition in the CDMO services and products SBV includes full-service pharmaceutical outsourcing or CDMO companies; contract manufacturers focusing on a limited number of dosage forms; contract manufacturers providing multiple dosage forms; and large pharmaceutical companies offering third-party manufacturing services to fill their excess capacity.

The domestic formulations industry is highly fragmented in terms of both, number of manufacturers and products, with 300 to 400 organised players and approximately 15,000 unorganised players. Contract manufacturing is also characterized by high fragmentation and competition, with large number of organized and unorganized players. As a result, the bargaining power of contract manufacturing players is lowered owing to high competition. (*Source: CRISIL Report*) The key players in domestic formulations CDMO segment include, Akums Drugs and Pharmaceuticals, Synokem Pharmaceuticals, Theon Pharmaceuticals, Innova Captab and Tirupati Medicare (*Source: CRISIL Report*). In addition, in Europe and Asia, there is a large number of privately owned, dedicated outsourcing companies that serve only their local or national markets (*Source: CRISIL Report*). Also, large pharmaceutical companies have been seeking to divest portions of their manufacturing capacity, and any such divested businesses may increase competition in CDMO industry (*Source: CRISIL Report*). We compete primarily on the basis of product portfolio (range of existing product portfolio and novelty of new offerings), security of supply (quality, regulatory compliance and financial stability), service (on-time delivery and manufacturing flexibility) and cost-effective manufacturing. Competition may, among other things, result in a decrease in the fees paid for our services and reduced demand for outsourced pharmaceutical development and manufacturing services, which could have a material adverse effect on our business, results of operations and financial condition.

For our Domestic Trade Generics and OTC Brands SBV, we compete with companies in the Indian market based on therapeutic and product categories, and within each category, upon dosage strengths and drug delivery. Many of the pharmaceutical players are adding trade generic products to their portfolio (*Source: CRISIL Report*). Abbott Healthcare Limited, Cipla Limited and Alkem Laboratories Limited are some of the players operating in Indian trade generics market

(*Source: CRISIL Report*). Further, in global markets, we compete with local companies, multinational corporations and companies from other emerging markets that are engaged in manufacturing and marketing generic pharmaceuticals. In addition, as we grow our Exports SBV, we expect competition from major international generic manufacturers. For further information, see "*Industry Overview*" on page 97.

Some of our competitors may have substantially greater financial, marketing, technical or other resources than we do. Greater financial, marketing, technical or other resources may allow our competitors to respond to changes in market demand more quickly with new, alternative or emerging technologies. If our competitors gain significant market share at our expense, particularly in the therapeutic areas in which we are focused such as cardiovascular, anti-diabetics, neurology, gastrointestinal, vitamins, minerals and nutrients, our business, results of operations and financial condition could be adversely affected. Changes in the nature or extent of our customer requirements may render our service and product offerings obsolete or non-competitive, which could have a material adverse effect on our business, results of operations and financial condition.

8. ***Our CDMO agreements impose several contractual obligations upon us. If we are unable to meet these contractual obligations and/ or our customers perceive any deficiency in our service we may face legal liabilities and consequent damage to our reputation which may in-turn adversely impact our business, financial condition and results of operations.***

Our CDMO agreements are typically long-term in nature where the validity of the contract ranges between two to five years, with the option of renewal on mutually agreed terms. These agreements typically provide that the quality, quantity and specifications for the products shall be approved by the customer and be in accordance with the requirements specified in the relevant agreements, while, in certain cases the specifications may be mutually agreed upon between the customer and us. In addition, for any changes in the product specifications, manufacturing process, manufacturing method or raw material used, we are typically conduct our own quality assessments according to current GMP guidelines and in certain cases, are required to obtain prior consent from our customers. We are also responsible for the procurement of raw materials, including APIs and excipients, and packaging materials in accordance with the specifications provided by the customer and in certain cases, the third party vendor should be approved by the customer or mutually agreed upon between the customer and us. Our CDMO agreements also typically provide the customer the right to return/ reject the product in case it fails to meet the specified specifications within a stipulated timeframe and we are responsible to replace such products free of any additional cost within a stipulated timeframe along with indemnity to the customer for losses arising from breach of obligations, specification of raw material used and manufacturing defect. Further, certain of our agreements require customers to provide quarterly/ yearly forecasts indicating the quantities of the product they intend to purchase, however, certain portions of such forecasts are non-binding in nature. We are, in certain of our agreements, required to assure that the product will always have a shelf life ranging between 80% to 95% of the standard shelf life from the date of its manufacture and we remain liable for the quality of our products for the entire duration of the shelf life of the product manufactured by us. In cases of recall of the product manufactured by our Company, our CDMO agreements typically require us to bear all the expenses and costs of such recall either upfront or by way of deduction from our bills, and the customers may also opt to terminate the agreement on account of such recall. Further, our CDMO customers are typically provided the right to audit our manufacturing facilities, processes or systems, under such agreements, by providing a certain amount of notice. In one of our CDMO agreement, our CDMO customer has the right to subject our products to quality control assessments either by themselves or in cases of any disagreements, by independent testing authorities, the cost of which is to be borne by the losing party. Certain CDMO agreements also allow our customers to opt for terminating the agreement with our Company if there is any change in control or management of our Company.

One of our CDMO agreement provides for a non-compete clause stating that we shall not, during the term of the said agreement, directly or indirectly manufacture, supply, sell, export or distribute the products in India and shall ensure that parties to whom the product is delivered outside India do not supply, sell or distribute the products in India. While another CDMO agreement provides for a non-compete and non-solicitation clause for the duration of the agreement and for a further period of two years from the date of termination of the agreement, subject to obtaining prior written consent from the customer. Our CDMO customers are typically provided the right to inspect/ audit our manufacturing facilities, processes or systems, under such agreements, by providing a certain amount of notice. Moreover, the CDMO agreements specifically provide that the trademark is owned by the customer and the customer shall indemnify us in case of any third-party intellectual property right infringement. We are also required to provide specific representations in certain agreements to the customers in relation to environmental protection and proper waste disposal. In addition, certain customers consent is required in case of any change or shift in location of our manufacturing facilities.

If we cannot perform the services undertaken by us in accordance with the requisite quality norms or if our customers' proprietary rights are infringed by our employees in violation of any applicable confidentiality agreements and/ or our customers perceive any deficiency or delay in service or breach of stipulated terms of these agreements, our customers may consider us liable for that act and seek damages from us. Further, given the stringent nature of obligations imposed by our CDMO agreements, we face the risk of potential liabilities from lawsuits or claims by our customers for the breach of the terms of our contractual obligations and cannot assure you that such restrictions will not have an adverse effect on our business, financial condition and results of operations in the future.

9. ***Our business is working capital intensive. If we experience insufficient cash flows from our operations or are unable to borrow to meet our working capital requirements, it may materially and adversely affect our business and results of operations.***

Our business requires significant amount of working capital primarily as a considerable amount of time passes between purchase of raw materials and sale of our finished products. As a result, we are required to maintain sufficient stock at all times in order to meet manufacturing requirements, thus increasing our storage and working capital requirements.

Further, we are required to partially finance a portion of the purchase orders received through our own sources and are therefore required to maintain a sufficient amount of working capital. Consequently, there could be situations where the total funds available may not be sufficient to fulfil our commitments, and hence we may need to incur additional indebtedness in the future, or utilize internal accruals to satisfy our working capital needs. Further, we require a substantial amount of capital and will continue to incur significant expenditure in maintaining and growing our existing infrastructure. As of March 31, 2021, we had sanctioned working capital facilities (including non-fund based) amounting to ₹ 547.00 million. We intend to utilise ₹ 475.62 million (a part of the Net Proceeds) towards funding our incremental working capital requirements in Fiscal 2022 and Fiscal 2023. For further information on the use of Net Proceeds, see "*Objects of the Offer*" on page 80. The actual amount of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, technological changes and additional market developments. Further, our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions and the effect of events such as the COVID-19 pandemic, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner.

As we pursue our growth plan, we may be required to raise additional funds by incurring further indebtedness or issuing additional equity to meet our working capital in the future. If we experience insufficient cash flows or are unable to borrow funds on a timely basis, or, at all, to meet our working capital and other requirements, or to pay our debts, it could materially and adversely affect our business and results of operations. Management of our working capital requirements involves the timely payment of, or rolling over of, our short-term indebtedness and securing new and additional loans on acceptable terms, or re-negotiation of our payment terms for, our trade payables, collection of trade receivables and preparing and following accurate and feasible budgets for our business operations. If we are unable to manage our working capital requirements, our business, results of operations and financial condition could be materially and adversely affected. There can be no assurance that we will be able to effectively manage our working capital. Should we fail to effectively implement sufficient internal control procedures and management systems to manage our working capital and other sources of financing, we may have insufficient capital to maintain and grow our business, and we may breach the terms of our financing agreements with banks, face claims under cross-default provisions and be unable to obtain new financing, any of which would have a material adverse effect on our business, results of operations and financial condition. For further information on the working capital facilities currently availed of by us, see "*Financial Indebtedness*" on page 271.

10. ***We have undertaken certain corporate actions in the past, pursuant to which our consolidated financial statements for Fiscals 2018, 2019 and 2020, and the nine months ended December 31, 2019 and 2020 are not comparable to each other and any future financial results that we may prepare.***

Until October 28, 2018, Windlas Healthcare Private Limited ("**Windlas Healthcare**") was a wholly owned subsidiary of our Company. Pursuant to a share purchase agreement dated August 13, 2018 with Cadila Healthcare Limited ("**Cadila**"), our Company's shareholding in Windlas Healthcare was reduced to 49.00%, with effect from October 29, 2018. Consequently, with effect from such date, Windlas Healthcare was reflected as an associate of our Company and its financial results were accordingly consolidated as those of an associate company in our audited consolidated financial statements. Subsequently, we reacquired Cadila's shareholding in Windlas Healthcare in two tranches, initially 2.00% of the outstanding share capital of Windlas Healthcare (with effect from April 16, 2020), and the remaining 49.00% (with effect from April 30, 2020). Accordingly, in our consolidated financial statements for the nine months ended December 31, 2020, Windlas Healthcare is reflected as (i) an associate company for the period beginning from April 1, 2020 to April 15, 2020; (ii) a 51.00% subsidiary for the period beginning from April 16, 2020 to April 29, 2020; (iii) as a 100.00% subsidiary from April 30, 2020; and (iv) subsequently, pursuant to a scheme of amalgamation, as a merged entity into our Company with effect from May 1, 2020; and the financial condition and results of operations of Windlas Healthcare are accordingly reflected in such manner in our consolidated financial statements for the nine months ended December 31, 2020. Since Windlas Healthcare was merged with our Company with effect from May 1, 2020, our audited standalone financial statements for the nine months ended December 31, 2020 will not be comparable to our historical audited standalone financial statements.

Divestment of Windlas Healthcare: On October 29, 2018, Windlas Healthcare issued 24,077,950 equity shares at face value ₹ 10 each along with premium of ₹ 54.60 (total value, including premium, amounting to ₹ 64.60) to Cadila for a consideration of ₹ 1,555.50 million. As a result, Cadila acquired 51.00% of the total equity share capital of Windlas Healthcare.

Reacquisition of Windlas Healthcare: Pursuant to a share purchase agreement dated April 16, 2020, our Company acquired 944,233 equity shares of ₹ 10 each of Windlas Healthcare from Cadila. As a consequence, our Company's shareholding in Windlas Healthcare increased from 49.00% to 51.00%, with effect from April 16, 2020. Subsequently, pursuant to another

share purchase agreement dated April 30, 2020, our Company acquired an additional 23,133,717 equity shares of ₹ 10 each of Windlas Healthcare from Cadila. As a consequence, our Company's shareholding in Windlas Healthcare increased from 51.00% to 100.00%, with effect from April 30, 2020. Our Company had undertaken a borrowing of ₹ 1,020.00 million from Windlas Healthcare, in order to fund this acquisition of 51.00% shareholding in Windlas Healthcare from Cadila.

Merger of Windlas Healthcare with our Company: Pursuant to a scheme of amalgamation, Windlas Healthcare was merged into our Company with effect from May 1, 2020, and consequently the financial condition and results of operations of Windlas Healthcare are accordingly reflected in such manner in our standalone and consolidated financial statements for the nine months ended December 31, 2020.

For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Presentation of Financial Information - Divestment, Reacquisition and Amalgamation of Windlas Healthcare*", "*Financial Statements – Note 44: Business Combinations*" and "*History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamations or any revaluation of assets, in the last 10 years*" on pages 237, 228 and 155, respectively.

As a result of the divestment and subsequent re-acquistion of the shareholding in Windlas Healthcare as well as the merger of Windlas Healthcare into our Company, our consolidated financial statements for Fiscals 2018, 2019 and 2020, and the nine months ended December 31, 2019 and 2020 are not comparable to each other.

In this Draft Red Herring Prospectus, we have not included any proforma financial information with respect to the divestment, re-acquisition and the subsequent merger of Windlas Healthcare into our Company as discussed above, prepared in accordance with the laws and regulations of the United States, India or any other jurisdiction, which would have shown the effect of such events. Investors are therefore cautioned against relying on our Restated Consolidated Financial Information included in this DRHP or our audited standalone and consoldiated financial statements to the extent that they may not be comparable as a result of such divetsment and reacquisiton of Windlas Healthcare in the relevant periods, and the subsequent merger of Windlas Healthcare into our Company with effect from May 1, 2020.

11. *Our operations are subject to environmental and workers' health and safety laws and regulations. We may have to incur material costs to comply with these regulations or suffer material liabilities or damages in the event of an incidence or non-compliance of environment and other similar laws and regulations which may have a material adverse effect on our reputation, business, financial condition and results of operations.*

Our operations are subject to extensive environmental and hazardous waste management laws and regulations in India, including the Environmental Act, the Air Act, the Water Act, the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, Bio-Medical Waste Management Rules, 2016 and other regulations promulgated by the Ministry of Environment, Forest and Climate Change, Government of India ("**MoEF**") and various statutory and regulatory authorities and agencies in India. The pharmaceutical industry is subject to strict regulations with respect to a range of environmental matters including limitations on land use, licensing requirements, management of materials used in manufacturing activities, the storage of inflammable and hazardous substances and associated risks, the storage, treatment and disposal of wastes, remediation of contaminated soil and groundwater, air quality standards, water pollution and discharge of hazardous materials into the environment. For details of the key regulations applicable to our business in India, see "*Key Regulations and Policies*" on page 147. The discharge or emission of chemicals, dust or other pollutants into the air, soil or water that exceed permitted levels and cause damage to others may give rise to liabilities towards the government and third parties, and may result in our incurring costs to remedy any such discharge or emissions.

Environmental laws and regulations in India have become and continue to be more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management and other expenditure to comply with environmental standards. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings, including public interest litigation, being commenced against us, third party claims or the levy of regulatory fines. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our manufacturing facilities.

We are also subject to the laws and regulations governing employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. There is a risk that we may fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products. We cannot assure you that we will not be involved in future litigation or other proceedings, or be held liable in any litigation or proceedings including in relation to safety, health and environmental matters, the costs of which may be significant.

As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations or financial condition. In addition, we could incur substantial costs, our products could be restricted from entering certain markets, and we could face other sanctions, if we were to violate or become liable under environmental laws or if our

products become non-compliant with applicable regulations. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. The amount and timing of costs under environmental laws are difficult to predict.

12. *Our manufacturing facilities are concentrated in a single region. Any inability to operate and grow our business in this particular region may have an adverse effect on our business, financial condition, results of operations, cash flows and future business prospects.*

All of our manufacturing facilities are located in Dehradun, Uttarakhand along with our Registered Office. Any materially adverse social, political or economic development, natural calamities, civil disruptions, or changes in the policies of the state government or local governments in this region could adversely affect, amongst others, manufacturing operations and transport operations, and require a modification of our business strategy, or require us to incur significant capital expenditure or suspend our operations. Any such adverse development affecting continuing operations at our manufacturing facilities could result in significant loss due to an inability to meet customer contracts and production schedules, which could materially affect our business reputation within the industry. The occurrence of, or our inability to effectively respond to, any such events or effectively manage the competition in the region, could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects.

13. *Any failure of the third parties, on whom we rely for clinical trials, in performing their obligations and complying with regulatory standards could result in a delay in receiving regulatory approval and adversely affect our business, financial condition and results of operations.*

We depend on third party qualified contract research organisations conduct clinical trials and studies of our new products and expect to continue to do so. We rely on such parties for successful execution of our clinical trials and studies, however, we do not control many aspects of their activities. Third parties may also not complete activities on schedule or may not conduct our studies in accordance with applicable trial, plans and protocols. Nonetheless, we are responsible for confirming that each of our clinical trials is conducted in accordance with its general investigational plan and protocol. If third parties fail to carry out their obligations, product development, approval and commercialisation could be delayed or prevented or an enforcement action could be brought against us.

Our reliance on these third parties does not relieve us of our responsibility to comply with the regulations and standards of the regulatory authorities related to good clinical practices. In particular, these third-party must comply with regulatory standards and their failure to do so could result in warning or deficiency letters from regulatory authorities, which could interfere with or disrupt their ability to complete our studies on time, thereby affecting our product approval process or even forcing a withdrawal of our product which may adversely affect our business, financial condition and results of operations.

14. *Reforms in the healthcare industry and the uncertainty associated with pharmaceutical pricing, reimbursement and related matters could adversely affect the pricing and demand for our products as well as the consumer demand for the products we manufacture for our customers, which may significantly influence our business, results of operations and financial condition.*

The healthcare industry has changed significantly over time, including, amongst others, healthcare reform, adverse changes in government or private funding of healthcare products and services, legislation or regulations governing the privacy of patient information or patient access to care, or the delivery, pricing or reimbursement of pharmaceuticals and healthcare services or mandated benefits. Such changes may cause the healthcare industry participants to reduce the number of our services and products that they purchase from us or the price they are willing to pay for our services and products. Changes in the healthcare industry's pricing, selling, inventory, distribution or supply policies or practices could also significantly reduce our revenue and profitability. As a result, our success will depend in part on the extent to which government and health administration authorities regulate the maximum retail price of the products manufactured by us and marketed by our customers. The role of third party private health insurers and other third-party payers is also becoming important in in-patient settings in hospitals. Increasing expenditures for healthcare has been the subject of considerable public attention in almost every jurisdiction where we conduct business. Both private and governmental entities are seeking ways to reduce or contain healthcare costs by limiting both coverage and the level of reimbursement for new therapeutic products. In many countries in which we currently operate, including India, pharmaceutical prices are subject to regulation. Price controls operate differently in different countries and can cause wide variations in prices between markets. Currency fluctuations can aggravate these differences. The existence of price controls can limit the profit our customers can earn from the market and thereby have a follow-on effect in them seeking a lower price manufacturing supplier for that product. Significant changes in price control limits set by regulators can change the profitability both for our customers as well as for us.

The Government of India has been taking various steps in order to control the prices of drugs and make it more affordable to consumers. Between Fiscal 2014 and Fiscal 2015, the industry saw drug prices being regulated for more than 500 medicines under the Drug Price Control Order, thereby negatively impacting the industry. Further, the revised National List of Essential Medicines ("**NLEM**") 2015 added more than 100 new drugs under price control, with many high-value chronic from anti-diabetes and HIV being covered. As of November 2016, the National Pharmaceutical Pricing Authority notified ceiling prices for 540 drugs. The NLEM 2015 contains about 870 scheduled drug formulations. Therefore, the Government's firm stance on pricing even in future might have a negative impact on the profitability for some

pharmaceutical players, which are selling branded generics at a high premium price. Currently, prices for approximately 900 to 1,000 scheduled formulations have been fixed so far. Due to the drop in realizations of formulations players, margins of contract manufacturing players are reduced as well. Therefore, both the formulation players as well as contract manufacturing players are equally impacted due to the price ceiling imposed by the Government. However, most of the major drugs under the NLEM account for approximately 20% of the market and belong to the chronic segment, which are being manufactured by the formulation players mostly and therefore does not have a major impact on contract manufacturing organizations. (*Source: CRISIL Report*) If the prices of more of our products or our customers products are administered or determined by the DPCO or NPPA or other similar authorities outside India, it would have an adverse impact on our profitability. For instance, our Company received a notice dated January 30, 2019 from the Drugs Control Administration, Government of Andhra Pradesh ("**DCA**") for contravention of section 3 of the Essential Commodities Act, 1955 ("**Act**") read with paragraphs 24(1), 24(2) and 24(3) of the Drugs (Price Control) Order, 2013 and punishable under the section 7(1)(a)(ii) of the Act. For further information, see **"***Outstanding Litigation and Material Developments – Actions Taken by Regulatory and Statutory Authorities*" on page 273.

15. ***If we are unable to protect our intellectual property and proprietary information, or if we infringe the intellectual property rights of others, our business, financial condition, cash flows and results of operations may be adversely affected.***

As of December 31, 2020, our Company had filed for nine patent applications, out of which two patents have been granted. In addition, as of December 31, 2020, our Company had one application for license, which is granted patent and nationalized in Germany and Great Britain, and one application for license in United States, which is granted patent as well as one application for license in India, which is currently pending. Further, as of December 31, 2020, our Company had 63 registered trademarks under class 5, and two trademark applications made by the Company are pending. Our corporate logo ' ' has been granted the status 'accepted and advertised' by the Trademark Registry. Our Subsidiary also had the *Windlas* trademark registered in the United States, as of December 31, 2020. For further information, see "*Our Business – Intellectual Property Rights*" and "*Government and Other Approvals*" on pages 145 and 278, respectively. However, our pending trademark and patent applications may be subject to governmental or third-party objection, which could prevent the maintenance or issuance of the same. We may not always be able to safeguard the same from infringement or passing off, both domestically and internationally, and may not be able to respond to infringement or passing off activity occurring without our knowledge. Certain proprietary knowledge may be leaked, either inadvertently or wilfully, at various stages of the production process. In the event that the confidential technical or proprietary information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies could be compromised. Moreover, our existing trademarks and patents may expire, and there can be no assurance that we will renew them after expiry. In addition, in respect of intellectual property under the CDMO agreements, certain CDMO agreements specifically provide (i) that the trademark is owned by the customer and the customer shall indemnify us in case of any third-party intellectual property right infringement; and (ii) any intellectual property arising out of production will belong to the customer.

We seek to launch generic pharmaceutical products either where patent protection or other regulatory exclusivity of equivalent branded products have expired, where patents have been declared invalid or where products do not infringe on the patents of others. However, there may be certain situations in which the products we manufacture or sell infringe intellectual property rights of others that could subject us to potential claims of intellectual property infringement. The manufacture, use and sale of generic versions of products has been subject to substantial litigation in the pharmaceutical industry which mostly relate to the validity and infringement of patents or proprietary rights of third parties. If our products were found to be infringing on the intellectual property rights of a third-party, we could be required to cease selling the infringing products, causing us to lose future sales revenue from such products and face substantial liabilities for patent infringement, in the form of either payment for the innovator's lost profits or a royalty on our sales of the infringing product. In the past there have been instances where our Company has been made party to litigation initiated by various parties against our customers for infringement of registered trademarks. Courts have also issued temporary restraining orders against our Company and appointed court receivers to inspect our premises and take over the possession of materials which display the allegedly infringing trademark. Our Company has also entered into consent orders pending the final disposal of such suits and agreed to desist from using the allegedly infringing trademark. Our Company has also been made party to patent infringement suits, and there have been instances where courts, pending the final disposal of the suits, have restrained us from using certain products/ pharmaceutical compositions on account of alleged patent infringement.

Any litigation, regardless of the merits or eventual outcome, would be costly and time consuming and we could incur significant costs and/or a significant reduction in revenue in defending the action, resulting from delays in manufacturing, marketing or selling any of our products subject to such claims. Our insurance cover may also not extend to these claims or sufficiently cover them.

16. ***Any unscheduled, unplanned or prolonged disruption of our manufacturing operations, such as, strikes and lockouts, could materially and adversely affect our business, financial condition and results of operations.***

We currently operate four manufacturing facilities located at Dehradun in Uttarakhand. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations, including, power failure, fire and unexpected mechanical failure of equipment, obsolescence, labour disputes, strikes, lock-outs, earthquakes and other natural disasters, industrial accidents or any significant social, political or economic disturbances, or infectious disease outbreaks such as the COVID-19

pandemic, could reduce our ability to manufacture our products and adversely affect sales and revenues from operations as well as result in a destruction of certain assets. In particular, due to the operating restrictions/ lockdown imposed by the Government on account of COVID-19 pandemic, operations at our Dehradun Plant – I and Dehradun Plant – II were temporarily suspended for only one day in March 2020 since manufacturing of pharmaceuticals was determined to be an essential commodity. Although we take precautions to minimize the risk of any significant operational problems at our manufacturing facilities, our customer, distributors and stockists' relationships, business, financial condition and results of operations may be adversely affected by any disruption of operations at our manufacturing facilities, including due to any of the factors mentioned above.

Our operations are dependent on our machines, and equipment for manufacturing our products. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. In addition, we may be subject to manufacturing disruptions due to contraventions by us of any of the conditions of our regulatory approvals, which may require our manufacturing facilities to cease, or limit, production until the disputes concerning such approvals are resolved. Also, see "*The pharmaceutical market is subject to extensive regulation and failures to comply with the existing and future regulatory requirements in any pharmaceutical market could adversely affect our business in that market, results of operations and financial condition"* on page 24. Similarly, there is no assurance that those of our manufacturing facilities unaffected by an interruption will have the capacity to increase their output to manufacture products for the affected manufacturing facilities, to the extent that all outstanding orders will be fulfilled in a timely manner. Further, we may also face protests from local citizens at our existing facilities or while setting up new facilities, which may delay or halt our operations.

17. *Any shortfall in the supply of our raw materials or an increase in our raw material costs, or other input costs, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.*

Raw materials, including packaging materials, are subject to supply disruptions and price volatility caused by various factors such as commodity market fluctuations, the quality and availability of raw materials, currency fluctuations, consumer demand, changes in government policies and regulatory sanctions. We purchase APIs and other materials such as, excipients and impurities, primary and secondary packaging materials from third party suppliers domestically. In addition, we purchase certain APIs from a third party international supplier. In Fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2019 and 2020, our material margin percentage, *i.e.* calculated by dividing margin (which is calculated by deducting cost of goods sold from revenue from operations) by revenue from operations, was 32.72%, 37.54%, 35.66%, 35.95% and 36.61%, respectively.

We do not have any long term contracts with our third-party suppliers. Prices are negotiated for each purchase order and we generally have more than one supplier for each raw material. The terms and conditions including the return policy are set forth in the purchase orders. However, our suppliers may be unable to provide us with a sufficient quantity of raw materials, at prices acceptable to us, for us to meet the demand for our products. We are also subject to the risk that one or more of our existing suppliers may discontinue their operations, which may adversely affect our ability to source raw materials at a competitive price. In addition, under certain CDMO agreements, our Company is obligated to procure raw materials from vendors specified by the customer. Any increase in raw material prices may result in corresponding increases in our product costs. For instance, the price for packaging materials significantly increased recently on account of its shortage in the market due to import restrictions and impact of COVID-19. In addition, on account of the operating restrictions/ lockdown imposed due to the COVID-19 pandemic, transportation costs also increased in the first quarter of Fiscal 2021. We are not a major customer of many of our suppliers, and these suppliers may prioritise other customers, including our competitors, over us. Further, our suppliers may encounter financial hardships unrelated to our demand for the products we manufacture, which could impede their ability to fulfil our orders and meet our requirements. A failure to maintain our required supply of raw materials, and any inability on our part to find alternate sources for the procurement of such raw materials, on acceptable terms, could adversely affect our ability to deliver our products to customers in an efficient, reliable and timely manner, and adversely affect our business, results of operations and financial condition.

In addition, we seek to source our materials from reputed suppliers and typically seek quotations from multiple suppliers. Historically, we have sourced raw materials from vendors in India, China, Germany and Belgium. Our imported raw materials as a percentage of total raw materials purchases was 4.26% in Fiscal 2020 compared to 3.35% in Fiscal 2018, while it was 4.32% and 4.02% in the nine months ended December 31, 2019 and 2020, respectively. Some of our raw material imports are regulated by the Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 that, *inter alia*, allows the concerned authority to take any action if it deems that the chemicals proposed to be imported may cause major accidents or stop an import of chemicals based on safety and environmental considerations. We are unable to assure you that such regulations would not be made more stringent which would consequently restrict our ability to import raw materials from other jurisdictions. We also cannot assure you that, under these circumstances, we will be successful in identifying alternate suppliers for raw materials or we will be able to source the raw materials at favourable terms in a timely manner. In addition, we require prior approval from certain of our CDMO customers for suppliers of raw materials used in manufacturing products delivered to them, which results in restricting our ability in identifying alternative suppliers for raw materials. Any restriction on import of raw materials could have an adverse effect on our ability to deliver products to our customers, business and results of operations. Further, any increase in export tariff will increase expenses which in turn may impact our business and results of operations.

18. ***We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business, and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in an adverse effect on our results of operations.***

Our operations are subject to extensive government regulation and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in the geographies in which we operate, generally for carrying out our business and for our manufacturing facilities. For details of approvals relating to our business and operations, see "*Government and Other Approvals*" on page 278.

Several of these approvals are granted for a limited duration and require renewal. Some of these approvals have expired and we have either made or are in the process of making an application for obtaining the approval for its renewal. For instance, we have made applications for the renewal of, the approvals under the Plastic Waste Management Rules, 2016 in relation to Dehradun Plant I, Dehradun Plant-II, Dehradun Plant-III and Dehradun Plant-IV, the Consolidated Consent to Operate and Authorisation in respect of Dehradun Plant – I and Dehradun Plant – II, and NOCs from the Central Ground Water Authority in relation to Dehradun Plant II and Dehradun Plant-IV, under environmental laws. For details of pending approvals, see "*Government and Other Approvals*" on page 278. We cannot assure you that the renewals to such approvals will be issued or granted to us in a timely manner, or at all. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business and operations may be materially adversely affected. Further, while we have applied for some of these approvals, we cannot assure you that such approvals will be issued or granted to us in a timely manner, or at all. Further, in view of the COVID-19 pandemic, we cannot guarantee that the approvals will be obtained by us in a timely manner. In particular, in India, the approval process for introducing a new product is complex, lengthy and expensive. As of December 31, 2020, our Company had obtained the license to manufacture 3,125 products from the State Drug Licensing Authority, Drug Controlling and Licensing Authority (Manufacturing), Garhwal Mandal, Uttarakhand. If we fail to obtain or renew such approvals, licenses, registrations and permissions, in a timely manner or at all, our business, results of operations and financial condition could be adversely affected.

Further, under the certificate of importer-exporter code ("**IEC**") issued by the Office of Additional Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India, the Company is required to intimate the relevant authority of a change in constitution a private limited company to a public limited company. As per the IEC, in case of any change in the name/address or constitution of IEC holder, the IEC holder shall cease to be eligible to import or export against the IEC after expiry of 90 days from the date of such a change, unless in the meantime, the consequential changes are effected in the IEC by the concerned Licensing Authority. The Company is in the process of making the aforementioned intimation.

The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In addition, these registrations, approvals or licenses are liable to be cancelled or the manufacture or sale of products may be restricted. In case any of these registrations, approvals or licenses are cancelled, or its use is restricted, then it could adversely affect our results of operations or growth prospects.

19. ***We are subject to risks associated with rejection of supplied products, and consequential claims and associated product liability costs due to defects in our products, which could generate adverse publicity or adversely affect our business, results of operations or financial condition.***

While the recent amendments to the Medical Devices Rules, 2017 and the Drugs and Cosmetics Rules, 1945 (Rules) have made the 'marketeers' also responsible, in addition to the actual manufacturer, for the quality of the drug as well as regulatory compliances (*Source: CRISIL Report*), any defects in our products could lead to rejection of supplied products and consequential financial claims. Accordingly, we, along with'marketeers', are exposed to risks associated with product liability claims if the use of our products results in personal injury. The products that we produce are subject to risks such as contamination, adulteration and product tampering during their production, transportation or storage. We face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, whether or not such claims are valid. Our CDMO agreements also typically provide the customer the right to return/ reject the product in case it fails to meet the specified specifications within a stipulated timeframe and we are responsible to replace such products free of any additional cost within a stipulated timeframe. Additionally, any lawsuits in which we may be named could be costly to defend and could result in significant liabilities, adverse publicity and diversion of our management's time, attention and resources. A partially successful or completely uninsured claim against us could materially harm our business, financial condition and results of operations.

We may also be subject to claims resulting from manufacturing defects or negligence in storage or handling, which may lead to the deterioration of our products, or from defects arising from deterioration in our quality controls. Further, while we seek to conform our products to meet a variety of contractual specifications and regulatory requirements, there can be no assurance that product liability claims or recall claims against us will not arise, whether due to product malfunctions, defects, or other causes. Product liability claims, regardless of their merits or the ultimate success of the defense against

them, are expensive. Even unsuccessful product liability claims would likely require us to incur substantial amounts on litigation, divert our management's time, adversely affect our goodwill and impair the marketability of our products.

20. *If any of our products or products we manufacture for our customers cause, or are perceived to cause, severe side effects, our reputation, revenues and profitability could be adversely affected.*

Our products or products we manufacture for our customers may cause severe side effects as a result of a number of factors, many of which may be outside our control. These factors, which may become evident only when they are introduced into the market, include potential side effects not revealed in clinical testing, unusual but severe side effects in isolated cases, defective products not detected by our quality management system or misuse of our products by consumers. Our products or products we manufacture for our customers may also be perceived to cause severe side effects when a conclusive determination as to the cause of the severe side effects is not obtained or is unobtainable. In addition, our products may be perceived to cause severe side effects if other pharmaceutical companies' products containing the same or similar APIs, raw materials or delivery technologies as our products cause or are perceived to have caused severe side effects, or if one or more regulators, determines that products containing the same or similar pharmaceutical ingredients as our products could cause or lead to severe side effects.

If our products or products we manufacture for our customers cause, or are perceived to cause, severe side effects, we may face a number of consequences, including:

- injury or death of patients;
- a severe decrease in the demand for, and sales of, the relevant products;
- the recall or withdrawal of the relevant products;
- withdrawal or cancellation of regulatory approvals for the relevant products or the relevant production facility;
- damage to the brand name of our products and our reputation; and
- exposure to lawsuits and regulatory investigation relating to the relevant products that result in liabilities, fines or sanctions.

As a result of these consequences, our reputation, revenues and profitability may be adversely affected.

21. *We derive a significant portion of our revenue from the sale of products in certain therapeutic areas. Our business, results of operations and financial condition may be adversely affected if any of our products in such therapeutic areas do not perform as expected.*

We generate a significant portion of our revenue from operations from the sale of products in the chronic and sub-chronic segments as well as acute segment. In Fiscals 2018, 2019 and 2020, and the nine months ended December 31, 2019 and 2020, revenue from the sale of products in the chronic segment (including sub-chronic) accounted for 47.15%, 51.20%, 46.83%, 48.32% and 57.80%, respectively, of our total revenue from operations, while revenue from the sale of products in the acute segment accounted for 48.54%, 47.30%, 52.98%, 51.51% and 41.38%, respectively, of our total revenue from operations in the same periods.

Any adverse developments with respect to such products in the such therapeutic areas, and our failure to successfully introduce new products in other therapeutic areas to compensate for any losses in these therapeutic areas, could have an adverse effect on our business, results of operations and financial condition. In the event of any breakthroughs in the development of alternative drugs or substitutes in these therapeutic areas, our products may become obsolete or be substituted by such alternatives. Our revenues from our products in the chronic segment may decline as a result of increased competition, regulatory action, pricing pressures or fluctuations in the demand for, or supply of, our products.

22. *Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.*

All of our existing manufacturing facilities are located in Dehradun, Uttarakhand. The success of any capacity expansion and expected return on investment on capital expenditure is subject to, among other factors, the ability to procure requisite regulatory approvals in a timely manner; recruit and ensure satisfactory performance of personnel to further grow our business; and the ability to absorb additional infrastructure costs and develop new expertise. Our capacity utilization is also affected by the product requirements of, and procurement practice followed by, our customers. We have made significant investments for the expansion of our manufacturing capacities and are continuing to undertake additional investments to increase our existing capacity. Our capacity utilization was 39.88%, 4.48% and 46.28% for tables/ capsules, pouch/ sachet and liquid bottles, respectively, in the nine months ended December 31, 2020, respectively. For further information, see "*Our Business – Installed Operating Capacity and Capacity Utilization*" on page 140. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, or an inability to fully realize the benefits of our recently implemented capacity expansion, could materially and adversely impact our business, growth prospects and future financial performance.

23. *There are outstanding litigation proceedings against our Company and Directors. Any adverse outcome in such proceedings may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.*

There are outstanding legal proceedings against our Company and Directors, which are pending at various levels of adjudication before various courts, tribunals and other authorities. The summary of outstanding matters set out below includes details of criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation (as defined in the section "*Outstanding Litigation and Other Material Developments*" on page 273) involving our Company, Directors and employees (in their capacity as employees of our Company).

Nature of cases	Number of cases	Total amount involved^
Litigation involving our Company		
Against our Company		
Material civil litigation proceedings	1	Not quantifiable
Criminal cases	Nil	Nil
Action taken by statutory and regulatory authorities	5	42.20
Taxation proceedings	8	35.44
By our Company		
Material civil cases	Nil	Nil
Criminal cases	6	6.25
Litigation involving our Directors		
Against our Directors		
Criminal cases	1	Not quantifiable

There can be no assurance that these legal proceedings will be decided in our favor or in favor of our Company, Directors, Promoters and Subsidiary. In addition, we cannot assure you that no additional liability will arise out of these proceedings that could divert our management's time and attention and consume financial resources. Any adverse order or direction in these cases by the concerned authorities even though not quantifiable, may have an adverse effect on our business, results of operations and financial condition. For further details, please refer to "*Outstanding Litigation and Material Developments*" on page 273.

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations.

24. ***One of our Independent Directors was previously appearing on the list of disqualified directors.***

One of our Directors, Gaurav Gulati, was previously disqualified under section 164(2)(a) in respect of two companies where he holds directorship, namely, Freeelective Network Private Limited and Meritxell Ferre Design Studio Private Limited, by the RoC, Chennai and RoC, Delhi respectively, for a duration of five years from November 1, 2016 to October 31, 2021. Subsequently, Gaurav Gulati, filed a writ petition bearing no. W.P.(C) 2880/2018 and CM Nos. 11604-05/2018 before the High Court of Delhi, which pursuant to order dated March 23, 2018, directed: (i) a stay on the operation of list of disqualified directors in so far as the inclusion of the name(s) of Gaurav Gulati and the other petitioners is concerned; (ii) that the DIN and DSC of Gaurav Gulati and the other petitioners will stand activated; and (iii) Gaurav Gulati and the other petitioners will have liberty to apply under the Condonation of Delay Scheme, 2018.

While Gaurav Gulati is not presently a disqualified director, there is no assurance that statutory or regulatory actions, or legal proceeding will not be initiated against him.

25. ***We are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, suspension of further drawdowns, which may adversely affect our business, results of operations, financial condition and cash flows.***

As of March 31, 2021, our total outstanding borrowings amounted to ₹321.58 million. Some of the financing arrangements entered into by us include restrictive covenants that require our Company to obtain respective lenders' consent prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement. Some of the corporate actions that require prior consents from certain lenders include, amongst others, changes to capital structure and shareholding pattern of the Company (including, without limitation, pursuant to any internal reorganisation of shareholding (including by way of transfer of shareholding of the Company from certain shareholders to a trust and/or other entities , stock-split and/or bonus issuance prior to the Offer), change in ownership, changes in constitution or management, changes to the charter documents. Failure to comply with such covenants may lead to termination, cancellation or suspension of further drawdowns in relation to such facilities, acceleration of the loan repayment or recall of the loan, enforcement of security interests by the relevant financial institutions, conversion of the outstanding amounts due into equity, appointment of a receiver to recover the outstanding dues or levy a penal rate of interest. Some of our lenders are also entitled to appoint directors on the Board of our Company. For more information, please see "*Financial Indebtedness"* on page 271.

Certain of our secured loans may also permit the lenders to recall the loan on demand. Such recalls on borrowed amounts may be contingent upon happening of an event beyond our control and there can be no assurance that we will be able to persuade our lenders to give us extensions or to refrain from exercising such recalls which may adversely affect our operations and cash flows. A failure to observe the covenants under our financing arrangements or to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities, suspension of further access/ withdrawals, either in whole or in part, for the use of the facility and/or restructuring of our debt.

Pursuant to clauses in certain financing agreements, any defaults under such facilities may also trigger cross default or cross acceleration provisions under our other financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes.

26. *We intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements. We are yet to place orders for such capital expenditure requirements.*

We propose to utilize ₹500.00 million of our Net Proceeds towards purchase of equipment required for (i) capacity expansion of our existing facility at our Dehradun Plant – IV; and (ii) addition of injectables dosage capability at our existing facility at Dehradun Plant II. For further information, see "*Objects of the Offer*" on page 80. Orders worth ₹568.70 million, which constitutes 100% of the total estimated costs in relation to the purchase of equipment required for (i) capacity expansion of our existing facility at Dehradun Plant – IV; and (ii) addition of injectables dosage capability at our existing facility at Dehradun Plant-II are yet to be placed. It is clarified that the Company proposes to utilise ₹500.00 million from the Net proceeds, and the balance ₹68.70 million of the total estimated costs will be paid by the Company out of internal accruals towards, amongst other things, civil works and purchase of equipment. We have not entered into any definitive agreements to utilize the Net Proceeds for this object of the Offer and have relied on the quotations received from third parties for estimation of the cost. While we have obtained the quotations from various vendors in relation to such capital expenditure, most of these quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. For details, see "*Objects of the Offer*" at page 80.

27. *Spurious pharmaceutical products or counterfeit products passed off by others as our products, could adversely affect our reputation, goodwill and results of operations.*

Entities in India and international locations could pass off their own products as ours, including counterfeit or pirated products. For example, certain entities could imitate our brand names, packaging materials or attempt to create look-alike products. As a result, our market share could be reduced due to replacement of demand for our products and adversely affect our goodwill. To stockists, distributors and patients, counterfeit products may be visually indistinguishable from the authentic version. Counterfeit products are frequently unsafe or ineffective, and can be potentially life-threatening. The proliferation of unauthorized copies of our products, and the time and attention lost to defending claims and complaints about spurious products, could decrease our revenue and have an adverse effect on our reputation, goodwill and results of operations.

28. *Our failure to keep our technical knowledge confidential could erode our competitive advantage. Further, failure to maintain confidential information of our customers could adversely affect our results of operations and, or, damage our reputation.*

Many of the formulations used and processes developed by us in manufacturing our customers' or our products are subject to trade secret protection, patents or other intellectual property protections owned or licensed by such customer or us. Further, we possess extensive technical knowledge about our products. Our technical knowledge is a significant independent asset, which may not be adequately protected by intellectual property rights such as patent registration. As a result, we cannot be certain that our technical knowledge will remain confidential in the long-run. Certain technical knowledge may be leaked, either inadvertently or willfully, at various stages of the manufacturing process. A significant number of our employees have access to confidential processes and product and customer information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors. Although our employee appointment letters contain non-disclosure clauses, if any of our employees breaches the non-disclosure provisions in such agreements, or if our customers make claims that their proprietary information has been disclosed, our reputation may suffer damage and we may become subject to legal proceedings that could require us to incur significant expenses and divert our management's time, attention and resources. Majority of the agreements with our customers include clauses on confidentiality, however, there can be no assurance that such agreements will be successful in protecting our technical knowledge or the confidential information of our customers. In the event of any breach or alleged breach of our confidentiality obligations under the agreements with certain customers, such customers may terminate their engagements with us or initiate litigation for breach of contract. In addition, the potential damage from such disclosure is increased as our majority of our processes and products are not patented, and thus we may have no recourse against copies of our processes and products that enter the market subsequent to such leakages. In the event that the confidential technical information in respect of our products or business becomes available to third parties or to the public, any competitive advantage we may have over other companies could be harmed. If a competitor is able to reproduce

or otherwise capitalize on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition and future prospects.

We are also dependent on, and have no control over, consumer demand for the products we manufacture for our customers. Consumer demand for our customers' products could be adversely affected by, among other things, delays in regulatory approval, the loss of patent and other intellectual property rights protection, the emergence of competing products, including generic drugs, the degree to which private and government drug plans subsidize payment for a particular product and changes in the marketing strategies for such products. If the products we manufacture for our customers do not gain market acceptance, our revenues and profitability may be adversely affected.

29. ***We rely on our distributors and stockists for the sale and distribution of our products. A termination of our sales arrangements or if our distributors and stockists do not effectively sell or market our products, our business, results of operations and financial condition may adversely affect.***

Our Domestic Trade Generics and OTC Brands SBV products are distributed through the offline channel, *i.e.* distributors, stockists, retail pharmacies and institutional tenders, as well as the online channel, *i.e.* through various e-commerce platforms. Accordingly, we rely on our distributors and stockists to sell our products particularly in the domestic brands SBV. As of December 31, 2020, we had a network of over 850 stockists and distributors spread across 14 states in India having grown from over 400 stockists and distributors, as of March 31, 2018. Our ability to expand and grow our trade generics and OTC brands reach significantly depends on the reach and effective management of our distributors and stockists' network. We continuously seek to increase the penetration of our trade generics and OTC brands by appointing new distributors and stockists to ensure wide distribution network targeted at different consumer groups and regions. We cannot assure you that we will be able to successfully identify or appoint new distributors or stockists or effectively manage our existing distribution network. As we sell and distribute our products through such distributors or stockists, any one of the following events could cause fluctuations or declines in our revenue and could have an adverse effect on our financial condition, cash flows and results of operations:

- failure to renew agreements with distributors or stockists;
- failure to maintain and establish relationships with our existing/ new distributors or stockists;
- inability to timely identify and appoint additional or replacement distributors or stockists upon the loss of one or more of our distributors or stockists;
- failure to obtain timely payments from distributors or stockists;
- reduction, delay or cancellation of orders from one or more of our distributors or stockists; and
- disruption in delivering of our products by distributors or stockists.

Further, we do not have exclusive arrangements with our distributors or stockists, which allows them to engage with our competitors. We also compete for stockists/ distributors with other leading pharmaceutical companies that may have greater brand recognition and financial resources, and a broader product portfolio than we do. If our competitors provide greater incentives to our stockists/ distributors, our stockists/ distributors may choose to promote the products of our competitors instead of our products. We may also face disruptions in the delivery of our products for various reasons beyond our control, including poor handling by distributors/ dealers of our products, transportation bottlenecks, natural disasters, infectious disease outbreaks such as the COVID-19 pandemic, and labour issues, which could lead to delayed or lost deliveries. In addition, failure to provide stockists with sufficient inventories of our products may result in a reduction in the sales of our products.

30. ***We are dependent upon the experience and skill of our management team and a number of key managerial personnel. If we are unable to attract or retain such qualified personnel, this could adversely affect our business, results of operations and financial condition.***

We are dependent on a highly qualified, experienced and capable management team for setting our strategic business direction and managing our business. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. Without a sufficient number of skilled employees, our operations and manufacturing quality could suffer. Our sales team has also developed a number of distributors and stockists relationships that would be difficult to replace. Competition for qualified technical personnel and operators as well as sales personnel with established dealer relationships is intense, both in retaining our existing employees and when replacing or finding additional suitable employees. Competition among pharmaceutical companies for qualified employees, particularly R&D personnel, is intense and the ability to retain and attract qualified individuals is critical to our success. As of December 31, 2020, we had 954 permanent employees. There can be no assurance that we will be able to recruit and retain qualified and capable employees in the future. Our Company's KMP attrition rate was nil in Fiscal 2020, however, in the nine months ended December 31, 2020, three out of an average of 11 KMPs of our Company resigned resulting in our Company's KMP attrition rate to account for 28.57% during this period primarily due to retirement, personal aspirations and reacquisition of Windlas Healthcare's shareholding by our Company from Cadila. The loss of the

services of our key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects. Further, if we cannot hire additional qualified personnel or retain them, our ability to expand our business may be impacted. As we intend to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced management, R&D and sales personnel. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting suitable employees.

31. ***Our employees, suppliers, distributors and stockists may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements and insider trading.***

We are exposed to the risk of employee, supplier, distributors and stockists fraud or other misconduct. Misconduct by employees, suppliers, distributors and stockists could include intentional failures to comply with any regulations applicable to us, to provide accurate information to regulatory authorities, to comply with manufacturing standards we have established, to comply with federal and state healthcare fraud and abuse laws and regulations, or to report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. While we have faced certain instances of theft in the past as well as terminated employment of certain employees for disciplinary action in relation to the US FDA inspection at our Dehradun Plant – IV, there can be no assurance that we will be able to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risk. If our employees engage in any such misconduct, we could face criminal penalties, fines, revocation of regulatory approvals and harm to our reputation, any of which could form a material adverse effect on our business.

32. ***Our inability to collect receivables and default in payment from our customers could result in the reduction of our profits and affect our cash flows.***

The majority of our sales are to customers on an open credit basis, with standard payment terms of generally between 30 to 60 days. While we generally monitor the ability of our customers to pay these open credit arrangements and limit the credit we extend to what we believe is reasonable based on an evaluation of each customer's financial condition and payment history, we may still experience losses because of a customer being unable to pay. As a result, while we maintain what we believe to be a reasonable allowance for doubtful receivables for potential credit losses based upon our historical trends and other available information, there is a risk that our estimates may not be accurate. In Fiscals 2018, 2019 and 2020, and in the nine months ended December 31, 2020, our trade receivables were ₹ 665.91 million, ₹ 617.35 million, ₹ 639.38 million and ₹ 940.64 million, respectively, while our receivable turnover day was 69 days, 73 days, 71 days and 80 days, respectively, in the same periods. Any increase in our receivable turnover days will negatively affect our business. If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, financial condition and results of operations.

Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy, for our customers, and as a result could cause customers to delay payments to us, request modifications to their payment arrangements, that could increase our receivables or affect our working capital requirements, or default on their payment obligations to us. An increase in bad debts or in defaults by our customer, may compel us to utilize greater amounts of our operating working capital and result in increased interest costs, thereby adversely affecting our results of operations and cash flows.

33. ***We are dependent on third-parties for certain operations, such as, transportation of raw materials, delivery of our finished products and hazardous waste management.***

Our success depends on the supply and transport of the various raw materials required for our manufacturing facilities and of our finished products from our manufacturing facilities to our customers, stockists and/ or distributors, which are subject to various uncertainties and risks. We use third party transportation providers for the supply of our raw materials and delivery of our products to domestic customers. We are also dependent on such third party freight and transportation providers for the delivery of our products to customers outside India. In addition, we have entered into agreements with third-party consignee agents for the products marketed by us in certain states. Transportation strikes, if any, could have an adverse effect on supplies and deliveries to and from our dealers, distributors, customers and suppliers. Further, on account of the COVID-19 pandemic, our third-party transportation providers' operations were disrupted in the months of March and April 2020. In addition, raw materials and finished products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. In particular, our operations are concentrated in the state of Uttarakhand, which is a land locked state. Accordingly, our export products are required to be transported by rail and road to reach the ports and similarly, our imported raw materials are required to be transported to us through rail and road from the ports. Any unforeseen delays in transit time would result in failure to meet our shipment deadlines, which may result in an increase in supply chain costs, such as storage and warehousing. Any delay in delivery of raw materials and products could result in the customers, dealers and/ or distributors refusing to accept our products, which could adversely affect our business and results of operations.

In addition, any compensation received from insurers or third-party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected dealers. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third-party transportation providers. Our freight and carriage expenses amounted to ₹ 24.18 million, ₹ 22.11 million, ₹ 27.47 million, ₹ 17.78 million and ₹ 27.60 million, respectively, in Fiscals 2018, 2019 and 2020, and the nine months ended December 31, 2019 and 2020, respectively. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products.

Further, our Company also enters into arrangements with certain third parties who have the experience in hazardous waste management. However, any improper disposal of hazardous waste by such third parties could result in non-compliance with the relevant hazardous waste management laws and regulations, which may result in liabilities for our Company and require us to incur costs to remedy any such improper disposal, adversely affecting our business, results of operations and financial conditions.

34. *An inability or delay in launching new generic pharmaceutical products if innovator pharmaceutical companies are successful in limiting the use of generics through their legislative, regulatory and other efforts, including patent extensions, may adversely affect our business, results of operations and financial condition.*

Pharmaceutical companies have been undertaking efforts, such as: (i) pursuing new patents for existing products that may be granted just before the expiration of earlier patents, which could extend patent protection for additional years or otherwise delay the launch of generics; (ii) selling the brand product as an authorized generic, either by the brand company directly, through an affiliate or by a marketing partner; and (iii) engaging in initiatives to enact legislation that restricts the substitution of some generic drugs, which could have an impact on products that we are developing. If pharmaceutical companies or other third parties are successful in limiting the use of generic products through these or other means, introductions of our generic products may be delayed, and our business, prospects, results of operations, and financial condition may be adversely affected.

35. *The report issued under the Companies (Auditor's Report) Order, 2016 ("CARO"), on our historical audited financial statements contain statements on certain matters.*

The Statutory Auditors have included a statement on certain matters specified in CARO, in terms of sub-section (11) of section 143 of the Companies Act, in their reports included as an annexure to the auditor's report on our audited financial statements as of and for the years ended March 31, 2019 and 2020, which do not require any corrective adjustments in the Restated Consolidated Financial Information. For further information, see "*Management's Discussion and Analysis on the Financial Conditions and Results of Operations Auditor's Observations*" page 235.

There can be no assurance that any similar remarks or statements will not form part of our financial statements or CARO reports for the future fiscal periods, or that such remarks or statements will not affect our financial results in future fiscal periods. Investors should consider the remarks and statements in evaluating our financial condition, results of operations and cash flows. Any such remarks or statements in the auditors' report and/ or CARO report on our financial statements in the future may also adversely affect the trading price of the Equity Shares.

36. *Any surplus production on account of inaccurate forecasting of customer requirements and failure to manage inventory could adversely affect our business, results of operations, financial condition and cash flows.*

Our business depends on our estimate of the demand for our products from customers. As is typical in the pharmaceutical industry, we maintain a reasonable level of inventory of raw materials, work in progress and finished goods. As of December 31, 2020, our total inventory amounted to ₹ 467.71 million. However, if we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may manufacture fewer quantities of products than required, which could result in the loss of business. Due to the length of time necessary to produce commercial quantities of our products, we make production decisions well in advance of sales. An inaccurate forecast of demand for any product can result in the unavailability/ surplus of our products. While we forecast the demand and price for our products and accordingly, plan our production volumes, any error in our forecast could result in a reduction in our profit margins and surplus stock, which may result in additional storage cost and such surplus stock may not be sold in a timely manner, or at all. If we overestimate demand, we may incur costs to build capacity or purchased more raw materials and manufacture more products than required. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations and financial condition. In addition, if our products do not achieve widespread consumer acceptance, physician prescribing patterns do not change to include our products, or our customers change their procurement preferences, we may be required to take significant inventory markdowns, or may not be able to sell the products at all, which would affect our business, results of operations and financial condition. Each of our products has a shelf life of a specified number of years and our inability to sell our products prior to their expiry may lead to losses. As such, our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations, cash flows and financial condition.

We also face the risk that our customers might not place any order or might place orders of lesser than expected size or may even cancel existing orders or make change in their policies, which may result in reduced quantities being manufactured by us resulting in under-utilization of our existing manufacturing capacity. Further, we make significant

decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of customer orders. The changes in demand for their products (which are in turn manufactured by us) could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and lead to over production and utilization of our manufacturing capacity for a particular product. The requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our manufacturing processes thereby affecting our production schedules. This may lead to over production of certain products and under production of some other products resulting in a complete mismatch of capacity and capacity utilization. In addition, in an agreement with a specific customer, we are obligated to produce more than the forecasted amount of the product, while the customer is not obligated to purchase the entire forecasted amount, which could result in excess inventory. Any such mismatch leading to over or under utilization of our manufacturing facilities could adversely affect our business, results of operations, financial condition and cash flows.

37. ***We face foreign exchange risks that could adversely affect our results of operations as a portion of our revenue and expenditure is denominated in foreign currencies.***

We have material exposure to foreign exchange related risks since a portion of our revenue from operations are in foreign currency, including the US Dollar and the Euro. In Fiscals 2018, 2019 and 2020, and the nine months ended December 31, 2019 and 2020, exports sales accounted for 5.98%, 5.93%, 3.25%, 3.32% and 3.34%, respectively, of our total revenue from operations in such periods. Similarly, a portion of our expenses, including cost of any imported raw material and other operating expenses as well as certain of our capital expenditure on equipment imported are denominated in currencies other than Indian Rupees. The exchange rate between the Indian Rupee and foreign currencies, primarily the USD, has fluctuated in the past and our results of operations have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. For example, during times of strengthening of the Indian Rupee, we expect that our overseas sales and revenues will generally be negatively impacted as foreign currency received will be translated into fewer Indian Rupees. However, the converse positive effect of depreciation in the Indian Rupee may not be sustained or may not show an appreciable impact in our results of operations in any given financial period due to other variables impacting our business and results of operations during the same period. Accordingly, any appreciation or depreciation of the Indian Rupee against these currencies can impact our results of operations. We may from time to time be required to make provisions for foreign exchange differences in accordance with accounting standards. For details of a sensitivity analysis for a change in foreign currency rates, see "*Financial Statements – Note 42: Financial Risk Management Objectives and Policies"* on page 224.

While we seek to pass on all losses on account of foreign currency fluctuations to our customers, our ability to foresee future foreign currency fluctuations is limited. Further, due to the time gap between the accounting of purchases and actual payments, the foreign exchange rate at which the purchase is recorded in the books of accounts may vary with the foreign exchange rate at which the payment is made, thereby benefiting or affecting us negatively, depending on the appreciation or depreciation of the Rupee. We may, therefore, be exposed to risks arising from exchange rate fluctuations and we may not be able to pass on all losses on account of foreign currency fluctuations to our customers, and as a result, suffer losses on account of foreign currency fluctuations. There is no guarantee that we may be able to manage our foreign currency risk effectively or mitigate exchange exposures, at all times and our inability may harm our results of operations and cause our results to fluctuate and/or decline. Further, certain markets in which we sell our products may be subject to foreign exchange repatriation and exchange control risks, which may result in either delayed recovery or even non-realization of revenue. In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations and cash flows. Further, we have not entered into any hedging arrangements, such as, forward exchange contracts. As of December 31, 2020, our principal amount of unhedged borrowing obligations denominated in foreign currency was ₹ 10.50 million. Accordingly, any action that we may take and any amounts that we spend or invest in order to hedge the risks to our business due to fluctuations in currencies may not adequately hedge against any losses and we cannot assure you of the sufficiency of these procedures or whether the procedures we have in place will be successful in managing our foreign currency exposure. For further information please see "*Financial Statements Note 42 – Financial Risk Management Objectives and Policies"* on page 224.

38. ***Our operations are labour intensive and our manufacturing operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.***

Our operations are labour intensive and we are dependent on a large labour force for our manufacturing operations. As of December 31, 2020, we had 954 permanent employees. The success of our operations depends on availability of labour and maintaining good relationship with our workforce. Shortage of skilled/ unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. While we have not experienced any major prolonged disruption in our business operations due to disputes or other problems with our work force in the past, there can be no assurance that we will not experience any such disruption in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

Further, we engage independent contractors through whom we engage contract labour for performance of certain functions at our manufacturing units as well as at our offices. Although we do not engage these labourers directly, we are responsible

for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and our financial condition.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

39. ***Our ability to access capital at attractive costs depends on our credit ratings. Non-availability of credit ratings or a poor rating may restrict our access to capital and thereby adversely affect our business and results of operations.***

The cost and availability of capital, among other factors, depend on our credit rating. We have received [ICRA]A (Stable) and [ICRA]A1 rating from ICRA. Our credit rating reflects, amongst other things, the rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Our inability to obtain such credit rating in a timely manner or any non-availability of credit ratings, or poor ratings, or any downgrade in our ratings may increase borrowing costs and constrain our access to capital and lending markets and, as a result, could adversely affect our business and results of operations. In addition, non-availability of credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements.

40. ***Our business subjects us to risks in multiple countries that could materially adversely affect our business, cash flows, results of operations and prospects.***

Our primary markets for our Export SBV include Vietnam, Myanmar, Sri Lanka, Thailand, Philippines, Cambodia, Fiji, Trinidad & Tobago and South Africa. In the nine months ended December 31, 2020, we had exported over 47 products in these markets. Further, as of December 31, 2020, our Company had obtained 59 product marketing authorizations across various export markets, such as, Cambodia, Ivory Coast, Philippines, Thailand, Vietnam, Myanmar and Sri Lanka. In Fiscal 2020 and the nine months ended December 31, 2020, our Exports SBV accounted for 3.25% and 3.34%, respectively, of our total revenue from operations.

As a result of our existing and expanding international operations, we are subject to risks inherent to establishing and conducting operations on an international scale, including:

- cost structures and language factors associated with managing and coordinating our international operations;
- compliance with a wide range of regulatory requirements, foreign laws, including immigration, labour and tax laws;
- ability to obtain the necessary approval from Indian authorities, the US FDA and other foreign regulatory authorities, as applicable, for the products which we intend to sell;
- difficulty in managing foreign operations;
- potential difficulties with respect to protection of our intellectual property rights in some countries which may result in infringement by others of our intellectual property rights;
- social, economic, political, geopolitical conditions and adverse weather conditions, such as natural disasters, civil disturbance, terrorist attacks, war or other military action;
- outbreaks of diseases, such as COVID-19, resulting in a widespread health crisis; and
- fluctuation in the exchange rate.

The growth in size or scope of our business, expansion of our footprint in existing regions in which we operate and entry into new markets also will expose us to regulatory regimes with which we have no prior direct experience and expansion into new product areas could lead to our becoming subject to additional or different laws and regulations. If any of these risks materialise, it could have a material adverse effect on our business, cash flows, results of operations and prospects.

41. ***We may in the future engage in acquisitions and joint ventures. We may not be able to complete such transactions, and such transactions, if executed, pose significant risks. Further, consolidation trend in the pharmaceutical and healthcare industries could adversely affect our future revenues and operating income.***

Our future success may depend on our ability to acquire other businesses or technologies or enter into joint ventures that could complement, enhance or expand our current business or offerings and services or that might otherwise offer us growth

opportunities. We may face competition from other companies in pursuing acquisitions and joint ventures. Our ability to enter into such transactions may also be limited by applicable antitrust laws and other regulations in India, the United States and other jurisdictions in which we do business. To the extent that we are successful in making acquisitions, we may have to expend substantial amounts of cash, incur debt and assume loss-making divisions. We may not be able to complete such transactions due to a failure to secure financing. Any future acquisitions we undertake may be financed through cash provided by operating activities, borrowings under our credit facilities and/or other debt or equity financing. Further, future acquisitions could result in potentially dilutive issuances of our equity securities, the incurrence of debt or contingent liabilities, any of which could harm our financial condition and may have an adverse impact on the price of our Equity Shares.

Any transactions that we are able to identify and complete may involve a number of risks, including but not limited to:

- the diversion of management's attention to negotiate the transaction and then integrate the acquired businesses or joint ventures;
- the possible adverse effects on our operating results during the negotiation and integration process;
- significant costs, charges or write-downs;
- the potential loss of customers or employees of the acquired business;
- delays or reduction in realizing expected synergies;
- unexpected liabilities relating to a joint venture or acquired business; and
- our potential inability to achieve our intended objectives for the transaction.

We may also enter into strategic alliances or joint ventures to explore such opportunities or make significant investments in entities that we do not control to capitalize on such business opportunities, and there can be no assurance that such strategic alliances, joint ventures or investments will be successful. Further, if we acquire another company we could face difficulty in integrating the acquired operations. In addition, the key personnel of the acquired company may decide not to work for us. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses. There can be no assurance that we will be able to achieve the strategic purpose of such acquisition or operational integration or our targeted return on investment. In addition, we may be unable to maintain uniform standards, controls, procedures and policies with respect to an acquired business, and this may lead to operational inefficiencies. To the extent that we are successful in making acquisitions, we may have to expend substantial amounts of cash, incur debt and assume loss-making divisions.

Further, contract manufacturing is also characterized by high fragmentation and competition, with large number of organized and unorganized players. In addition, expanding through the inorganic route is beneficial for the CDMOs as it increases their customer base and projects as well as provides an opportunity to cross sell. Consolidation in the CDMO fragmented industry is expected to gain traction due to the need to provide better and wider portfolio of services. (*Source: CRISIL Report*) As a result of the consolidation trend, competition to provide products and services to customers has increased. In addition, group purchasing organizations and integrated health delivery networks have served to concentrate purchasing decisions for some customers, which has placed pricing pressure on suppliers. Further, consolidation within the industries we serve could exert additional pressure on the prices of our products

42. *An inability to effectively manage our growth and expansion may have a material adverse effect on our business prospects and future financial performance.*

We have experienced stable growth in the past. Our revenue from operations increased by 25.87% from ₹ 2,548.68 million in the nine months ended December 31, 2019 to ₹ 3,207.93 million in the nine months ended December 31, 2020. EBITDA also increased by 47.04% from ₹ 295.18 million in the nine months ended December 31, 2019 to ₹ 434.03 million in the nine months ended December 31, 2020. However, there can be no assurance that our growth strategy will be successful or that we will be able to continue to expand further, or at the same rate.

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategies, include, capitalize on expansion opportunities, grow our CDMO customer base, expand our product portfolio and delivery systems, focus on the Domestic Trade Generics and OTC Brands SBV and high margin exports and foray into high growth injectables segment. For further information, see "*Our Business – Strategies*" on page 133. Also, see "*We propose to enter into the manufacture of injectables, which will be a new business for our Company and if we are unable to establish ourselves in this business segment, our business condition, results of operations and cash flows may be adversely affected.*" on page 26. Our ability to achieve our growth strategies will be subject to a range of factors, including our ability to identify market opportunities and demands in the industry, develop products using innovative process, delivery systems and technologies, and our ability to continue to compete with existing companies in our markets, consistently exercise effective quality control, hire and train qualified personnel and undertake developing complex products. Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategy. We may face increased risks when we enter new markets in India and internationally, and may find it more

difficult to hire, train and retain qualified employees in new regions. In addition, we may have difficulty in finding reliable suppliers with adequate supplies of raw materials meeting our quality standards.

Our business growth could strain our managerial, operational and financial resources. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to expand, train, motivate and manage our workforce. There can be no assurance that our personnel, systems, procedures and controls will be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. Our inability to manage our business and implement our growth strategy could have a material adverse effect on our business, financial condition and profitability.

43. *A shortage or non-availability of essential utilities such as electricity and water could affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.*

Our business operations are heavily dependent on continuous and supply of electricity and water which are critical to our manufacturing operations. While our power requirements are met through local state power grid through interstate open access as well as diesel generator sets, we cannot assure you that these will be sufficient and, or, that we will not face a shortage of electricity despite these arrangements. Further, while water is procured through bore wells, any shortage or non-availability of water or electricity could result in temporary shut-down of a part, or all, of our operations at the location experiencing such shortage. Such shut-downs could, particularly if they are for prolonged periods, have an adverse effect on our business, results of operations and financial condition. Moreover, if we are required to operate for extended periods of time on diesel-generator sets or if we are required to source water from third parties, our cost of operations would be higher during such period which could have an adverse impact on our profitability.

44. *An inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.*

Our operations are subject to various risks inherent in the pharmaceutical industry including defects, malfunctions and failures of manufacturing equipment, fire, riots, strikes, explosions, loss-in-transit for our products, accidents and natural disasters. Our insurance may not be adequate to completely cover any or all of our risks and liabilities. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Our insurance cover for property, plant and equipment as of December 31, 2020 was ₹ 891.00 million, while our written down value of property, plant and equipment was ₹ 936.62 million as of December 31, 2020. Consequently, our insurance cover as a percentage of written down value of property, plant and equipment was 95.13%, as of December 31, 2020. Our inability to maintain adequate insurance cover in connection with our business could adversely affect our operations and profitability. To the extent that we suffer loss or damage as a result of events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. For further information on our insurance arrangements, see "*Our Business – Insurance*" on page 145.

45. *We have in this Draft Red Herring Prospectus included certain non-GAAP financial and operational measures and certain other industry measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the pharmaceutical industry. We rely on certain assumptions and estimates to calculate such measures, therefore such measures may not be comparable with financial, operational or industry related statistical information of similar nomenclature computed and presented by other similar companies*.

Certain non-GAAP financial measures and certain other industry measures relating to our operations and financial performance, such as, EBITDA, EBITDA Margin, EBIT margin, total debt to equity ratio, material margin, gross fixed assets turnover ratio, return on net worth, long term debt to equity ratio, average net worth, PAT Margin, return on capital employed, net worth and net asset value per share, have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial and operational measures, and such other industry related statistical and operational information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of pharmaceutical businesses, many of which provide such non-GAAP financial and operational measures, and other industry related statistical and operational information.

These non-GAAP financial and operational measures, and such other industry related statistical and operational information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial and operational measures, and industry related statistical information of similar nomenclature that may be computed and presented by other pharmaceutical companies. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our Restated Consolidated Financial Information disclosed elsewhere in this Draft Red Herring Prospectus. Also, see "*Risk Factors - Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.*" on page 47.

46. ***Any failure of our information systems, such as from data corruption, cyber-based attacks or network security breaches, could have a material adverse effect on our business and results of operations.***

We depend extensively on the capacity and reliability of the quality assurance, quality control, product development and information technology systems supporting our operations, particularly the systems which help us undertake advanced data analytics and track stock keeping unit level profitability. We rely on information systems in our business to obtain, rapidly process, analyze and manage data to:

- facilitate the manufacture and distribution of thousands of inventory items to and from our facilities;
- receive, process and ship orders on a timely basis;
- manage the accurate billing of, and collections from, our customers;
- manage the accurate accounting for, and payment to, our vendors; and
- schedule and operate our global network of manufacturing and development facilities.

Our systems are subject to damage or incapacitation by natural disasters, human error, power loss, sabotage, computer viruses, hacking, acts of terrorism and similar events or the loss of support services from third parties. Any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption may affect our ability to plan, track, record and analyse work in progress and sales, process financial information, manage product lifecycle, payables and inventory or otherwise conduct our normal business operations.

Security breaches of our infrastructure can create system disruptions, shutdowns or unauthorized disclosure of confidential information. If we are unable to prevent such breaches, our operations could be disrupted, or we may suffer financial damage or loss because of lost or misappropriated information. We cannot be certain that advances in criminal capabilities, new discoveries in the field of cryptography or other developments will not compromise or breach the technology protecting the networks that access our products and services. We have faced certain disruptions in our information technology systems due to ransomware attacks for certain days in 2018, and accordingly, we cannot assure you that we will not encounter disruptions in the future. If these systems are interrupted, damaged by unforeseen events or fail for any extended period of time, including due to the actions of third parties, then we may not be able to effectively manage our business, and this could have a material adverse effect on our results of operations.

47. ***Our Registered and Corporate Offices along with a portion of our Dehradun Plant – I and Dehradun Plant -III are located on leased premises. There can be no assurance that these lease agreements will be renewed upon termination or that we will be able to obtain other premises on lease on same or similar commercial terms.***

Our Registered Office along with a portion of our Dehradun Plant – I and Dehradun Plant – III are located on lease premises. In particular, our Registered Office and a portion of our Dehradun Plant - I are leased from one of our Promoters, Ashok Kumar Windlass, and such leases are for a period of 29 years and 11 months. In addition, our Corporate Office has been leased from our Promoters, Ashok Kumar Windlass, Hitesh Windlass and Manoj Kumar Windlass until February 25, 2023. There can be no assurance that we will be able to retain or renew such leases on same or similar terms, or that we will find alternate locations for the existing offices on terms favorable to us, or at all. Failure to identify suitable premises for relocation of existing properties, if required, or in relation to new or proposed properties we may purchase, in time or at all, may have an adverse effect on our production and supply chain, the pace of our projected growth as well as our business and results of operations.

48. ***Certain of our business transactions in the Domestic Trade Generics and OTC Brands SBV are entered into with government or government-funded entities in India and any change in the government policies, practices or focus may adversely affect our business, cash flows and results of operations.***

We have recently commenced participating in competitive tender process for supply of our products to various government agencies, and have received seven tenders, as of December 31, 2020. We intend to build relationships with institutional partners as well as continue bidding for government contracts. If there is any change in the government or in governmental policies, practices or focus that results in a delay in obtaining government contracts, our business, cash flows and results of operations may be adversely affected.

One of the standard conditions in contracts typically awarded by governments or government-backed entities is that the government or entity, as a client, has the right to terminate the contract for convenience, without any reason, at any time after providing us with notice. In the event that a contract is so terminated, our results of operations and cash flows may be adversely affected.

49. ***We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***

We have entered into transactions with certain related parties, including our Promoters, certain members of our Promoter Group, certain current and former Directors, Group Companies and Key Managerial Personnel of our Company. In

particular, we have entered into various transactions with such parties in relation to, amongst others, remuneration, professional fees, rent expense and reimbursement of expenses. Further, our Individual Promoters (who are also Directors) have entered into lease agreements with respect to our Corporate Office with our Company. Our Promoter, Ashok Kumar Windlass, has also entered into lease agreement in respect of certain industrial land and property situated at Dehradun, Uttarakhand where Dehradun Plant I is currently located, with our Company and receive lease rentals in respect of the properties taken on lease from them by the Company. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into additional related party transactions in the future. Such related party transactions may potentially involve conflicts of interest.

In Fiscals 2018, 2019 and 2020 and in the nine months ended December 31, 2019 and 2020, the aggregate amount of such related party transactions was ₹ 314.28 million, ₹ 399.54 million, ₹ 30.35 million, ₹ 22.76 million and ₹ 1,131.93 million, respectively. The percentage of the aggregate value of such related party transactions to our total income in Fiscals 2018, 2019 and 2020, and in the nine months ended December 31, 2020 was 8.81%, 12.83%, 0.92%, 0.89% and 35.03%, respectively. The increase in related party transactions in the nine months ended December 31, 2020 was on account of borrowing of ₹ 1,020.00 million from our erstwhile wholly-owned Subsidiary, Windlas Healthcare, in order to fund the acquisition of 51.00% shareholding in Windlas Healthcare from Cadila. For further information relating to our related party transactions, see "*Financial Statements – Note 40: Related Party Disclosures*" on page 220. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

50. ***We currently avail benefits under certain export promotion schemes and are entitled to certain incentives. Any change in these benefits and incentives applicable to us or a delay in disbursement of benefits under such schemes may affect our results of operations.***

We currently avail benefits under certain export promotion schemes as the Merchandise Exports from India Scheme under the Foreign Trade Policy of India and Excise Duty Drawback, which allow us duty free import of certain inputs used for manufacturing and availing excise duty drawbacks. In Fiscals 2018, 2019 and 2020, and the nine months ended December 31, 2019 and 2020, export incentives amounted to ₹ 2.15 million, ₹ 5.64 million, ₹ 2.00 million, ₹ 1.68 million and ₹ 1.69 million, respectively. Any reduction or withdrawal of benefits or our inability to meet any of the conditions prescribed under any of the schemes would adversely affect our business, results of operations and financial condition. Further, the benefits/ incentives under such schemes are available to us for a fixed period subject to compliance with various terms and conditions and such incentive are not subject to renewal. However, there can be no assurance that we will continue to enjoy these benefits in the future or will be able to obtain timely disbursement of such benefits.

51. ***Information relating to the installed operating capacity and capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary.***

Information relating to the installed operating capacity and capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates of our management that have been taken into account by an independent chartered engineer in the calculation of the installed operating capacity and capacity utilization of our manufacturing facilities. The installed operating capacity of our manufacturing facilities has been calculated by using the equipment manufacturer's rated maximum capacity for an installed equipment and adjusting it for the typical achieved capacity across a wide range of actual processes and batch sizes for any particular dosage type in a sequential line setup. Further, downtime between any batches due to product changeover related equipment cleaning, scheduled breaks, and material loading / unloading are taken into account to calculate the installed operating capacity during the year/ period. The information relating to the installed operating capacity of the manufacturing facilities as of the dates included above are based on various assumptions and estimates that have been taken into account for calculation of such capacity. The assumptions and estimates taken into account include that each manufacturing facility operated for 302 days in a year in three shifts in a day for manufacturing sections and two shifts in a day for packaging sections, and each shift is for six hours in order to account for the breaks and loading / unloading activities. The installed operating capacity of our manufacturing facilities does not take into account any unscheduled break due to material or manpower shortages/ equipment breakdowns/ or quality clearances. Further, capacity utilization has been calculated on the basis of actual production during the relevant period divided by the aggregate installed operating capacity of relevant manufacturing facilities as of at the end of the relevant period/.

Further, the requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our manufacturing processes thereby affecting our production schedules. We often increase capacity to meet the anticipated demand of our customers or significantly reduce production of certain products depending on potential orders. Certain products require lesser process time whereas certain products require more process time in the same manufacturing set-out that we have installed. Accordingly, actual production levels and rates may differ significantly from the installed capacity information of our facilities or historical installed capacity information of our facilities depending on the product type. Undue reliance should therefore not be placed on our historical installed capacity information for our existing facilities included in this Draft Red Herring Prospectus.

52. *Our Promoters and certain of our Directors have interests in our Company other than their normal remuneration or benefits and reimbursement of expenses.*

Our Promoters and certain of our Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses. Our Promoters holding Equity Shares may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. Further, our Individual Promoters (who are also Directors) have entered into lease agreements with respect to our Corporate Office with our Company. Our Promoter, Ashok Kumar Windlass, has also entered into lease agreement with our Company in respect of certain industrial land and property situated at Dehradun, Uttarakhand where Dehradun Plant I is currently located, and receives lease rentals in respect of the leased properties taken on lease from them by the Company. Further, our Individual Promoters have provided certain guarantees on behalf of our Company in favour of certain lenders of the Company. For further information on the interest of our Promoters and Directors, other than reimbursement of expenses incurred or normal remuneration or benefits, see "*Our Management*" and "*Our Promoters and Promoter Group*" on pages 159 and 175, respectively.

53. *Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.*

We propose to utilise the Net Proceeds towards (i) purchase of equipment required for (a) capacity expansion of our existing facility at Dehradun Plant – IV; and (b) addition of injectables dosage capability at our existing facility at Dehradun Plant-II; (ii) funding incremental working capital requirements of our Company; (iii) repayment/prepayment of or certain of our borrowings; and (iv) general corporate purposes. For further details of the proposed objects of the Offer, see "*Objects of the Offer*" on page 80. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Sections 13(8) and 27 of the Companies Act 2013, we cannot undertake any variation in the utilisation of the Net Proceeds without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

Further, our Promoters would be required to provide an exit opportunity to Shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters to provide an exit opportunity to such dissenting shareholders may deter the Promoters from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Offer, if any, or vary the terms of any contract referred to in the Draft Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

54. *After the completion of the Offer, our Promoters will continue to collectively hold substantial shareholding in our Company.*

After the completion of the Offer, our Promoters will continue to collectively hold substantial shareholding in our Company. Our Promoters will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these shareholders. The interests of the Promoters as our controlling shareholder could conflict with our interests or the interests of its other shareholders. We cannot assure you that our Promoters will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

55. *We have not been able to obtain certain records of the educational qualifications of our founder, Promoter and Whole-time Director, Ashok Kumar Windlass, and have relied on affidavits and declarations furnished by him for details of his profile included in this Draft Red Herring Prospectus.*

Our Promoter and Whole-time Director, Ashok Kumar Windlass, has been unable to trace copies of documents pertaining to his educational qualifications, namely, his diploma in civil engineering from Government Polytechnic, Ambala City. Accordingly, reliance has been placed on an affidavit and declarations furnished by him to us and the BRLMs to disclose details of his educational qualifications in this Draft Red Herring Prospectus. We and the BRLMs have been unable to independently verify these details prior to inclusion in this Draft Red Herring Prospectus. While Ashok Kumar Windlass has written to his university to obtain a copy of his education qualification, there can be no assurances that his university

will provide him with a copy of the degree. Further, there is no assurance that Ashok Kumar Windlass will be able to trace the relevant documents pertaining to his educational qualifications in the future, or at all.

56. *Certain of our corporate records are not traceable or have discrepancies. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard.*

Certain of our Company's corporate records are not traceable or have discrepancies. We are unable to trace certain corporate and other documents of the Company, which have been misplaced or lost on account of shifting of the registered office of the Company from New Delhi to Uttarakhand. Such corporate records include certified true copy of the shareholders' resolution approving the further issue of equity shares on March 4, 2003 and the board resolution authorising the rights issue dated March 12, 2004. We cannot assure you that the relevant corporate records will become available in the future or that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this respect.

While no legal proceedings or regulatory action has been initiated against our Company in relation to untraceable and/or inaccurate secretarial and other corporate records and documents as of the date of this Draft Red Herring Prospectus, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company in future. We cannot assure you that such untraceable secretarial and other corporate records and documents will be available with us in future. Although no regulatory action/litigation is pending against us in relation to such untraceable secretarial and other corporate records and documents, we cannot assure you that we will not be subject to penalties imposed by regulatory authorities in this respect.

57. *Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.*

We have availed the services of an independent third party research agency, CRISIL Research, a division of CRISIL Limited to prepare an industry report titled "*Assessment of the Global and Indian pharmaceuticals industry*" dated April 2021, for purposes of inclusion of such information in this Draft Red Herring Prospectus. The CRISIL Report is subject to various limitations and based upon certain assumptions that are subjective in nature. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or the BRLMs or any of our or their respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.

In addition, the industry measures and other relevant information identified and included in the CRISIL Report takes into account such information for certain key players operating in Indian CDMO industry only to the extent available to CRISIL (as indicated in the CRISIL Report and reflected in the "*Industry Overview – Competition Analysis – Operational Overview*" on page 125). For example, we have derived certain industry information in this Draft Red Herring Prospectus from the CRISIL Report, and the CRISIL Report highlights certain industry and market data relating to us and our competitors, which is not based on any standard methodology and subject to various assumptions. In particular, certain industry measures, such as, asset turnover ratio, net profit margin, debt to equity ratio and return on capital employed, may have been calculated differently for us and our competitors in the CRISIL Report since there are no standard data gathering methodologies in our industry. In addition, the financial information of our Company derived from the CRISIL Report is based on the Indian GAAP audited financial information of our Company for the relevant periods as indicated in the CRISIL Report and are therefore not comparable to our Restated Consolidated Financial Information. We cannot assure you that CRISIL's assumptions are correct or will not change and accordingly our position in the market may differ from that presented in this Draft Red Herring Prospectus.

58. *Our customers may engage in certain transactions in or with countries or persons that are subject to U.S. and other sanctions.*

U.S. law generally prohibits U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of comprehensive sanctions and with certain persons or businesses that have been specially designated by the OFAC or other U.S. government agencies. Other governments and international or regional organizations also administer similar economic sanctions. We provide services to our customers, who may be doing business with, or located in, countries to which certain OFAC-administered and other sanctions apply. Although we believe we have compliance systems in place that are sufficient to block prohibited transactions, there can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. Although we do not believe that we are in violation of any applicable sanctions, if it were determined that transactions in which we participate violate U.S. or other sanctions,

we could be subject to U.S. or other penalties, and our reputation and future business prospects in the United States or with U.S. persons, or in other jurisdictions, could be adversely affected. We rely on our staff to be up-to-date and aware of the latest sanctions in place. Further, investors in the Equity Shares could incur reputational or other risks as the result of our customers' dealings in or with countries or with persons that are the subject of U.S. sanctions.

59. ***Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

60. ***We will not receive any proceeds from the Offer for Sale. The Selling Shareholders will receive the net proceeds from the Offer for Sale.***

The Offer consists of a Fresh Issue and an Offer for Sale. The Selling Shareholders shall be entitled to the net proceeds from the Offer for Sale, which comprise proceeds from the Offer for Sale net of Offer expenses shared by the Selling Shareholders, and our Company will not receive any proceeds from the Offer for Sale.

EXTERNAL RISK FACTORS

RISKS RELATING TO INDIA

61. ***Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

62. ***If there is any change in laws or regulations, including taxation laws, or their interpretation, such changes may significantly affect our financial statements.***

Any change in Indian tax laws could have an effect on our operations. For instance, the Taxation Laws (Amendment) Act, 2019 prescribes certain changes to the income tax rate applicable to companies in India. According to this Act, companies can henceforth voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate for Indian companies from 34.94% to approximately 25.17%. Any such future amendments may affect our other benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

Due to COVID -19 pandemic, the Government of India also passed the Taxation and Other Laws (Relaxation of Certain Provisions) Act, 2020, implementing relaxations from certain requirements under, amongst others, the Central Goods and Service Tax Act, 2017 and Customs Tariff Act, 1975.

Further, the Government of India has announced the union budget for Fiscal 2022, pursuant to which the Finance Bill, 2021 ("**Finance Bill**"), has introduced various amendments. The Finance Bill has received assent from the President of India on March 28, 2021, and has been enacted as the Finance Act, 2021. We have not fully determined the impact of these recent and proposed laws and regulations on our business. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business.

63. ***The occurrence of natural or man-made disasters or outbreak of global pandemics, such as the COVID-19 pandemic, could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, infectious disease outbreaks such as the COVID-19 pandemic and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war in India or globally may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

64. ***A slowdown in economic growth in India could cause our business to suffer.***

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operations, financial condition and the trading price of the Equity Shares.

India's economy could be adversely affected by a general rise in interest rates, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy. The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the market price of the Equity Shares.

India has from time to time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus.

Other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatility in, and actual or perceived trends in trading activity on India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like political instability, terrorism or military conflict in India or in countries in the region or

globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India.

65. ***Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, United States, United Kingdom, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United Kingdom's exit from the European Union ("**Brexit**"), there still remains significant uncertainty around the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

66. ***Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.***

Our Restated Consolidated Financial Information have been derived from our audited special purpose interim consolidated financial statements as at and for the nine months ended December 31, 2020 and December 31, 2019 prepared in accordance with Ind AS – 34, read with the Companies (Indian Accounting Standards) Rules, 2015, and our audited consolidated financial statements as at and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 prepared in accordance with Indian GAAP and read together with paragraph 7 of the Companies (Accounts) Rules, 2014, and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on "*Reports in Company Prospectuses (Revised 2019)*" issued by ICAI and the circular no. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 issued by SEBI. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Presentation of Financial Information*" on page 237. Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

67. ***A downgrade in ratings of India, may affect the trading price of the Equity Shares.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign rating decreased from Baa2 with a "negative" outlook to Baa3 with a "negative" outlook by Moody's and from BBB with a "stable" outlook to BBB with a "negative" outlook (Fitch) in June 2020. India's sovereign ratings from S&P is BBB-with a "stable" outlook. Any further adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favorable terms or at all, and consequently adversely affect our business and financial performance and the price of the Equity Shares.

68. ***Investors may not be able to enforce a judgment of a foreign court against us and our Directors in India respectively, except by way of a law suit in India.***

We are incorporated under the laws of India and all of our Directors and key management personnel reside in India. A substantial portion of our assets are also located in India. Where investors wish to enforce foreign judgments in India, they may face difficulties in enforcing such judgments. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. In order to be enforceable, a judgment obtained in a jurisdiction which India recognises as a reciprocating territory must meet certain requirements of the Civil Procedure Code, 1908 (the "**CPC**").

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13, 14 and Section 44A of the CPC on a statutory basis. Section 44A of the CPC provides that where a certified copy of a decree of any superior court, within the meaning of that Section, obtained in any country or territory outside India which the government has by notification declared to be in a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the CPC is applicable only to monetary decrees and does not apply to decrees for amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards (even if such awards are enforceable as a decree or judgment).

Among other jurisdictions, the United Kingdom, United Arab Emirates, Singapore and Hong Kong have been declared by the government to be reciprocating territories for the purposes of Section 44A of the CPC. The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the CPC. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the CPC, and not by proceedings in execution. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and/ or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. The suit must be brought in India within three years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India.

It cannot be assured that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to the execution of such foreign judgment.

69. ***If inflation were to rise in India, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our clients thereby reducing our margins.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our clients, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or entirely offset any increases in costs with increases in prices for our products. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the Government has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

RISKS RELATING TO THE OFFER AND THE EQUITY SHARES

70. ***Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.***

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and wide-spread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as a shareholder of an entity in another jurisdiction.

71. ***You may be subject to Indian taxes arising out of capital gains on the sale of Equity Shares acquired in the Offer.***

Under current Indian tax laws and regulations, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of equity shares held for more than 12 months that are sold using any other platform other than on a recognised stock exchange and on which no STT has been paid, are subject to long term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. In cases where the seller is a non-resident, capital gains arising from the sale of the equity shares may be partially or wholly exempt from taxation in India in cases where such exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Historically, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the equity shares.

72. ***Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time taken for such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Shareholders. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

73. ***Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.***

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to compliance with sectoral norms and certain other restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Further, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions or at all.

We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 311.

74. ***Any future issuance of Equity Shares may dilute your shareholding and sale of Equity Shares by the Promoters may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth, whether organic or inorganic, through future equity offerings. Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us (including under an employee benefit scheme) or disposal of our Equity Shares by the Promoters or any of our other principal shareholders or any other change in our shareholding structure to comply with minimum public shareholding norms applicable to listed companies in India or any public perception regarding such issuance or sales may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. There can be no assurance that we will not issue further Equity Shares or that our existing shareholders including our Promoters will not dispose of further Equity Shares after the completion of the Offer (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations) or pledge or encumber their Equity Shares. Any future issuances could also dilute the value of shareholder's investment in the Equity Shares and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the Offer Price. We may also issue convertible debt securities to finance our future growth or fund our business activities. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

75. *Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.*

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in the Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately five Working Days from the Bid/ Offer Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid/ Offer Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

76. *Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.*

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the laws of the jurisdiction the investors are located in do not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emption rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

77. *QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid amount) at any stage after submitting a bid, and Retail Individual Bidders are not permitted to withdraw their Bids after Bid/Offer Closing Date.*

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are required to block the Bid amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of equity shares or the Bid Amount) at any stage after submitting a Bid. Similarly, Retail Individual Bidders can revise or withdraw their Bids at any time during the Bid/Offer Period and until the Bid/ Offer Closing date, but not thereafter. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment, within six Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by the SEBI, events affecting the investors' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the investors' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing. Therefore, QIBs and Non-Institutional Bidders will not be able to withdraw or lower their bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise between the dates of submission of their Bids and Allotment.

78. *Our Equity Shares have never been publicly traded and may experience price and volume fluctuations following the completion of the Offer, an active trading market for the Equity Shares may not develop, the price of our Equity Shares may be volatile and you may be unable to resell your Equity Shares at or above the Offer Price or at all.*

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for our Equity Shares will develop or, if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book building process. This price will be based on numerous factors, as described in the section "*Basis for Offer Price*" on page 91. This price may not necessarily be indicative of the market price of our Equity Shares after the Offer is completed. You may not be able to re-sell your Equity Shares at or above the Offer price and may as a result lose all or part of your investment.

Our Equity Shares are expected to trade on NSE and BSE after the Offer, but there can be no assurance that active trading in our Equity Shares will develop after the Offer, or if such trading develops that it will continue. Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares.

There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after this Offer could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Draft Red Herring Prospectus. The market price of our Equity Shares may be influenced by many factors, some of which are beyond our control, including:

- the failure of security analysts to cover the Equity Shares after this Offer, or changes in the estimates of our performance by analysts;
- the activities of competitors and suppliers;
- future sales of the Equity Shares by us or our shareholders;
- investor perception of us and the industry in which we operate;
- our quarterly or annual earnings or those of our competitors;
- developments affecting fiscal, industrial or environmental regulations;
- the public's reaction to our press releases and adverse media reports; and
- general economic conditions.

A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

79. ***Compliance with provisions of Foreign Account Tax Compliance Act may affect payments on the Equity Shares.***

The U.S. "Foreign Account Tax Compliance Act" (or "**FATCA**") imposes a new reporting regime and potentially, imposes a 30% withholding tax on certain "foreign passthru payments" made by certain non-U.S. financial institutions (including intermediaries).

If payments on the Equity Shares are made by such non-U.S. financial institutions (including intermediaries), this withholding may be imposed on such payments if made to any non-U.S. financial institution (including an intermediary) that is not otherwise exempt from FATCA or other holders who do not provide sufficient identifying information to the payer, to the extent such payments are considered "foreign passthru payments". Under current guidance, the term "foreign passthru payment" is not defined and it is therefore not clear whether and to what extent payments on the Equity Shares would be considered "foreign passthru payments". The United States has entered into intergovernmental agreements with many jurisdictions (including India) that modify the FATCA withholding regime described above. It is not yet clear how the intergovernmental agreements between the United States and these jurisdictions will address "foreign passthru payments" and whether such agreements will require us or other financial institutions to withhold or report on payments on the Equity Shares to the extent they are treated as "foreign passthru payments". Prospective investors should consult their tax advisors regarding the consequences of FATCA, or any intergovernmental agreement or non-U.S. legislation implementing FATCA, to their investment in Equity Shares.

80. ***U.S. holders should consider the impact of the passive foreign investment company rules in connection with an investment in our Equity Shares.***

A foreign corporation will be treated as a passive foreign investment company ("**PFIC**") for U.S. federal income tax purposes for any taxable year in which either: (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of its gross assets during the taxable year (based on of the quarterly values of the assets during a taxable year) are "passive assets," which generally means that they produce passive income or are held for the production of passive income.

Our Company believes it was not a PFIC for fiscal year ended March 31, 2020, and does not expect to be a PFIC for the current year or any future years. However, no assurance can be given that our Company will or will not be considered a PFIC in the current or future years. The determination of whether or not our Company is a PFIC is a factual determination that is made annually after the end of each taxable year, and there can be no assurance that our Company will not be considered a PFIC in the current taxable year or any future taxable year because, among other reasons, (i) the composition of our Company's income and assets will vary over time, and (ii) the manner of the application of relevant rules is uncertain in several respects. Further, our Company's PFIC status may depend on the market price of its Equity Shares, which may fluctuate considerably.

SECTION III: INTRODUCTION

THE OFFER

The following table sets forth details of the Offer:

Equity Shares Offered	
Offer of Equity Shares of face value of ₹5 each	Up to [●] Equity Shares, aggregating up to ₹[●] million
The Offer consists of:	
Fresh Issue[(1)(2)]	Up to [●] Equity Shares, aggregating up to ₹1,650 million
Offer for Sale[(3)]	Up to 5,142,067 Equity Shares, aggregating up to ₹[●] million
of which:	
A) Employee Reservation Portion[(4)(5)]	Up to [●] Equity Shares, aggregating up to ₹[●] million
B) Net Offer	Up to [●] Equity Shares, aggregating up to ₹[●] million
The Net Offer consists of:	
QIB Portion[(6)(7)]	Not more than [●] Equity Shares
of which:	
(i) Anchor Investor Portion	Up to [●] Equity Shares
(ii) Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
(a) Mutual Fund Portion (5% of the Net QIB Portion)	[●] Equity Shares
(b) Balance for all QIBs including Mutual Funds	[●] Equity Shares
Non-Institutional Portion[(7)]	Not less than [●] Equity Shares
Retail Portion[(7)]	Not less than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	18,207,419 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds of the Offer	See "*Objects of the Offer*" on page 80 for information about the use of the proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

(1) *Our Company and the Selling Shareholders may, in consultation with the BRLMs consider a Pre-IPO Placement by our Company of an aggregate amount not exceeding ₹500 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and will be undertaken prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.*

(2) *Our Board has approved the Offer pursuant to the resolution passed at its meeting held on April 27, 2021 and our Shareholders have approved the Fresh Issue pursuant to a special resolution passed on May 6, 2021.*

(3) *The Selling Shareholders have confirmed and approved their participation in the Offer for Sale as set out below*:

S. No.	Selling Shareholder	Number of Equity Shares offered in the Offer for Sale	Date of consent letter/ board resolution, as applicable
A.	**Individual Selling Shareholder**		
	Vimla Windlass	Up to 1,136,000 Equity Shares aggregating up to ₹[●] million	May 5, 2021
B.	Investor Selling Shareholder		
	Tano India Private Equity Fund II	Up to 4,006,067 Equity Shares aggregating up to ₹[●] million	May 6, 2021

Each of the Selling Shareholders has confirmed that their respective Offered Shares have been held by them for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus with SEBI or have resulted from a bonus issue on Equity Shares held for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus, and are eligible for being offered for sale in the Offer, in terms of Regulation 8 of the SEBI ICDR Regulations.

(4) *The Employee Reservation Portion shall not exceed 5.00% of our post-Offer paid-up Equity Share capital. Any unsubscribed portion remaining in the Employee Reservation Portion shall be added to the Net Offer. For further details, see "Offer Structure" on page 295.*

(5) *Our Company may, in consultation with the BRLMs, offer an Employee Discount of up to [●]% to the Offer Price (equivalent of ₹ [●] per Equity Share), which shall be announced two Working Days prior to the Bid/Offer Opening Date.*

(6) *Our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. For details, see "Offer Procedure" on page 295.*

(7) *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange. Under-subscription, if any, in the Net QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid under the Net Offer and such Bids will not be treated as multiple Bids. Any undersubscription in the Employee Reservation Portion shall be added to the Net Offer. In the event of an under-subscription in the Offer, Equity Shares offered pursuant to the Fresh Issue shall be allocated in the Offer prior to the Equity Shares offered pursuant to the Offer for Sale. However, after receipt of minimum subscription of 90% of the Fresh Issue, the Offered Shares shall be allocated proportionately prior to the Equity Shares offered pursuant to the Fresh Issue.*

Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price, as applicable. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available

Equity Shares, if any, shall be allocated on a proportionate basis. For further details, see "*Offer Procedure*" on page 298. For details of the terms of the Offer, see "*Terms of the Offer*" on page 291.

SUMMARY OF FINANCIAL INFORMATION

The summary financial information presented below should be read in conjunction with "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 182 and 235, respectively.

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RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(All amounts in ₹ million except otherwise stated)

Particulars	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31,2019 (Proforma)	As at March 31, 2018 (Proforma)
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	936.62	661.15	661.03	596.69	767.86
Capital work in Progress	3.72	2.98	-	45.79	105.17
Right of Use	31.14	37.69	36.07	41.50	62.56
Other Intangible Assets	5.18	4.90	5.52	4.42	34.46
Intangible Assets Under Development	-	-	-	-	420.39
Financial Assets:					
(i) Investments	-	973.03	940.01	1014.51	1.88
(ii) Loans	28.89	21.99	22.44	21.06	24.99
Deferred Tax Assets (Net)	-	3.93	6.63	5.08	7.44
Other Non-Current Assets	42.24	35.29	32.89	48.15	34.60
	1,047.79	**1,740.96**	**1,704.59**	**1,777.20**	**1,459.35**
Current Assets					
Inventories	467.71	311.62	493.17	190.27	350.54
Financial Assets:					
(i) Investments	230.11	220.05	222.80	209.00	223.84
(ii) Trade Receivables	940.64	759.18	639.38	617.35	665.91
(iii) Cash and Cash Equivalents	28.70	30.92	180.78	128.55	71.95
(iv) Bank Balance other than cash and cash equivalents	278.12	159.94	3.06	3.41	4.69
(v) Other Financial Assets	4.29	1.72	0.95	0.91	0.49
Current Tax Assets (Net)	26.82	13.51	8.95	-	8.26
Other Current Assets	134.65	87.48	131.20	55.11	113.84
	2,111.04	**1,584.42**	**1,680.29**	**1,204.60**	**1,439.52**
Total assets	**3,158.83**	**3,325.38**	**3,384.88**	**2,981.80**	**2,898.87**
EQUITY AND LIABILITIES					
Equity					
(i) Equity Share Capital	64.11	64.11	64.11	64.11	55.88
(ii) Instrument entirely equity in nature	-	-	-	-	29.41
(iii) Other Equity	1865.74	2029.62	2032.48	1871.74	1165.09
	1,929.85	**2,093.73**	**2,096.59**	**1,935.85**	**1,250.38**
Liabilities					
Non-Current Liabilities					
Financial Liabilities:					
(i) Borrowings	8.79	18.04	12.13	58.16	181.36
(ii) Lease liability	6.50	11.54	10.33	15.05	19.32
(iii) Other Financial Liabilities	1.80	-	1.00	-	2.30
Non-current Provisions	15.36	8.00	11.94	10.57	14.61
Deferred Tax Liabilities (Net)	8.54	-	-	-	-
	40.99	**37.58**	**35.40**	**83.78**	**217.59**
Current Liabilities					
Financial Liabilities:					
(i) Borrowings	199.67	127.66	209.45	170.79	239.05
(ii) Trade Payables					
(a) total outstanding dues of micro enterprises and small enterprises	36.50	16.80	89.07	27.90	27.37
(b) total outstanding dues for creditors other than micro enterprises and small enterprises	701.61	854.18	742.29	551.44	818.80
(iii) Lease liability	5.04	4.60	4.70	4.29	3.91
(iv) Other Financial Liabilities	225.86	170.46	188.71	137.23	248.73
Other Current Liabilities	15.17	15.87	14.59	27.97	40.47
Current Provisions	4.14	4.50	4.08	42.55	52.57
	1,187.99	**1,194.07**	**1,252.89**	**962.17**	**1,430.90**
Total equity and liabilities	**3,158.83**	**3,325.38**	**3,384.88**	**2,981.80**	**2,898.87**

RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

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

Particulars	For the nine month period ended December 31, 2020	For the nine month period ended December 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019 (Proforma)	For the year ended March 31, 2018 (Proforma)
Revenue from Operations	3,207.93	2,548.68	3,288.52	3,072.67	3,523.69
Other Income	23.01	19.08	24.87	42.58	42.07
Total Income	**3,230.94**	**2,567.76**	**3,313.39**	**3,115.25**	**3,565.76**
Expenses					
Cost of Material Consumed	1,974.28	1,678.12	2,243.47	1,882.69	2,345.53
Excise Duty	-	-	-	-	1.64
Changes in Inventories of Finished goods and Work-in-progress	59.24	(45.65)	(127.50)	36.54	23.49
Employee Benefit Expenses	417.80	321.67	435.73	429.58	445.44
Finance Cost	9.65	17.42	25.26	48.38	64.68
Depreciation and Amortization expense	96.07	66.32	92.93	105.91	173.47
Other Expenses	320.85	256.67	322.16	338.78	314.25
Total Expenses	**2,877.89**	**2,294.55**	**2,992.05**	**2,841.88**	**3,368.50**
Profit before share of gain / (loss) in joint venture and associates, exceptional items and tax	**353.05**	**273.21**	**321.34**	**273.37**	**197.26**
Share of gain/(loss) in joint venture	-	-	-	(3.17)	1.24
Share of gain/(loss) in associate company	(1.73)	(42.69)	(74.66)	(4.50)	-
Exceptional items					
Gain on losing control in subsidiary company	-	-	-	495.45	-
Impairment of Goodwill	(272.64)	-	-	-	-
Gain on fair valuation of previously held equity interest on acquisition of control in Subsidiary	56.47	-	-	-	-
Profit before tax	**135.15**	**230.52**	**246.68**	**761.15**	**198.50**
Income tax expense					
Current tax	23.33	71.75	85.73	120.08	98.07
Deferred tax	15.08	1.27	(1.18)	2.85	(11.55)
Total Tax Expense	38.41	73.02	84.55	122.93	86.52
Profit for the period/year	**96.74**	**157.50**	**162.13**	**638.22**	**111.98**
Profit attributable to Owners	**99.36**	**157.50**	**162.13**	**638.22**	**111.98**
Profit attributable to Non Controlling Interest	**(2.62)**	**-**	**-**	**-**	**-**
Other Comprehensive Income					
A (i) Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit plans-gain/(loss)	(1.75)	(2.08)	(3.05)	(1.39)	0.01
Income tax effect	(0.11)	0.52	0.77	0.49	(0.05)
Shares of other comprehensive income in Associates	-	1.21	0.16	(0.15)	-
B (i) Items that will be reclassified to profit or loss:					
Foreign currency translation reserve	-	-	-	-	(0.20)
Other Comprehensive Income for the period/year	**(1.86)**	**(0.35)**	**(2.12)**	**(1.05)**	**(0.24)**
Total Comprehensive Income for the period/year	**94.88**	**157.15**	**160.01**	**637.17**	**111.74**
Other Comprehensive Income attributable to Owner's	**(1.86)**	**(0.35)**	**(2.12)**	**(1.05)**	**(0.24)**
Other Comprehensive Income attributable to Non Controlling Interest	**-**	**-**	**-**	**-**	**-**
Total Comprehensive Income attributable to Owner's	**97.50**	**157.15**	**160.01**	**637.17**	**111.74**

Particulars	For the nine month period ended December 31, 2020	For the nine month period ended December 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019 (Proforma)	For the year ended March 31, 2018 (Proforma)
Total Comprehensive Income attributable to Non Controlling Interest	**(2.62)**	**-**	**-**	**-**	**-**
Earnings per share:					
Basic (in Rs)	5.46	8.65	8.90	38.61	7.06
Diluted (in Rs)	5.46	8.65	8.90	37.65	6.80
Face value per share (in Rs)	5	5	5	5	5

RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

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

Particulars	For the nine month period ended December 31, 2020	For the nine month period ended December 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019 (Proforma)	For the year ended March 31, 2018 (Proforma)
Cash flow from operating activities					
Profit before tax	**135.15**	**230.52**	**246.68**	**761.15**	**198.50**
Add:					
Share of gain in associate	1.73	41.48	74.50	4.65	-
Share of (loss)/gain in joint venture	-	-	-	3.17	(1.24)
Adjustments for:					
Exceptional Items					
(Gain) on losing control in subsidiary company	-	-	-	(495.45)	-
(Gain) on fair valuation of previously held equity interest on acquistion of control in Windlas Healthcare	(56.47)	-	-	-	-
Impairment of Goodwill	272.64	-	-	-	-
Proforma Ind AS Adjustment	-	0.73	0.73	-	-
Depreciation & amortization expense	96.07	66.32	92.93	105.91	173.47
Balances written off (net)	9.12	2.92	3.07	-	15.75
Balance written back	2.87	-	-	16.87	12.96
Allowance for Doubtful Debts	2.32	1.23	0.95	1.66	3.31
(Gain) / Loss on Investments measured at FVTPL (net)	(4.43)	(11.07)	(13.80)	(15.17)	(19.81)
Asset written off	14.00	-	0.01	-	4.92
Net (gain)/ loss on sale of Property Plant & Equipment	(0.09)	0.07	0.08	(0.37)	(0.10)
Unrealised foreign exchange (gain)/ loss	-	-	-	-	(0.20)
Interest expense on borrowings	8.74	16.20	23.68	46.42	62.37
Interest expense on lease liability	0.91	1.22	1.58	1.96	2.31
Interest income	(15.40)	(7.78)	(10.79)	(8.48)	(5.15)
Operating Profit before working capital changes	**467.16**	**341.84**	**419.62**	**422.32**	**447.09**
Changes in operating assets and liabilities:					
Increase/(decrease) in provisions	(4.94)	(1.53)	0.41	7.82	0.01
Increase/(decrease) in trade payables	(121.62)	291.63	252.00	(247.42)	(10.76)
Increase/(decrease) in other financial liabilities	69.59	57.29	82.62	(14.15)	24.64
Increase/(decrease) in other current liabilities	(2.80)	(12.10)	2.84	67.28	(76.17)
Decrease/(increase) in loans and advances	(5.22)	0.17	0.10	5.26	(3.90)
Decrease/(increase) in trade receivables	(295.69)	(145.98)	(26.06)	(9.75)	(8.23)
Decrease/(increase) in inventories	47.60	(121.35)	(302.90)	104.85	105.20
Decrease/(increase) in other financial assets	3.64	(0.92)	0.09	(52.55)	(0.06)
Decrease/(increase) in other non current assets	(10.93)	28.58	32.27	(29.09)	(0.60)
Decrease/(increase) in other current assets	46.10	(32.36)	(76.68)	52.59	(77.79)
Cash generated from operations	**192.89**	**405.27**	**384.31**	**307.16**	**399.43**
Income taxes refunded/ (paid)	(27.40)	(124.82)	(134.25)	(120.62)	(50.64)
Net cash flow from operations (A)	**165.49**	**280.45**	**250.06**	**186.54**	**348.79**
Cash flow from investing activities					
Purchase of property, plant & equipment, Intangible assets and capital work in progress including capital advances and capital creditors	(48.62)	(113.35)	(153.10)	(89.54)	(257.82)
Sale of property, plant & equipment, Intangible assets and capital work in progress	13.27	0.14	0.14	0.70	6.11
Sale / (Purchase) of Investment in subsidiary company	-	-	-	(1.83)	-
Purchase of controlling interest in associate company	(40.59)	-	-	-	-
Purchase of non controlling interest of subsidiary company	(994.41)	-	-	-	-
Proceeds from/ (investment in) Mutual Funds (net)	1022.15	-	-	30.01	130.00
Interest received	12.87	6.80	9.19	6.64	3.95
Proceeds from redemption of / (Investment in) fixed deposits (net)	(275.06)	(156.53)	0.36	1.28	7.83
Net cash used in investing activities (B)	**(310.39)**	**(262.94)**	**(143.41)**	**(52.74)**	**(109.93)**

Particulars	For the nine month period ended December 31, 2020	For the nine month period ended December 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019 (Proforma)	For the year ended March 31, 2018 (Proforma)
Cash flow from financing activities					
Proceeds/(Repayment) of Short Term Borrowings	(9.77)	(43.12)	38.66	(43.52)	(113.19)
Proceeds from issue of equity shares	-	-	-	48.15	-
Repayment of Long Term Borrowings	(41.66)	(51.10)	(63.47)	(13.47)	(86.93)
Repayment of Lease liabilities (principal portion)	(3.49)	(3.20)	(4.30)	(3.89)	(3.55)
Interest paid (including interest on lease liabilities)	(10.45)	(17.72)	(25.31)	(49.53)	(56.83)
Net cash flow from/ (used in) financing activities (C)	(65.37)	(115.14)	(54.42)	(62.26)	(260.50)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(210.27)**	**(97.63)**	**52.23**	**71.54**	**(21.64)**
Cash and cash equivalents at the beginning of the period/ year	180.78	128.55	128.55	71.95	93.59
Cash acquired on acquisition of subsidiary	58.19	-	-	-	-
Cash outflow on disposal of subsidiary	-	-	-	(14.94)	-
Cash and cash equivalents at the closing of the period/ year	**28.70**	**30.92**	**180.78**	**128.55**	**71.95**

GENERAL INFORMATION

Registered Office

Windlas Biotech Limited
40/1, Mohabewala Industrial Area
Dehradun 248 110
Uttarakhand, India
CIN: U74899UR2001PLC033407
Registration Number: 033407

Corporate Office

Windlas Biotech Limited
705-706, Vatika Professional Point
Sector-66, Golf Course Extension Road
Gurgaon 122 001
Haryana, India

Address of the RoC

Our Company is registered with the RoC situated at the following address:

Registrar of Companies, Uttarakhand
Mezzanine floor 78, Rajpur Road
Office no. 259, Shri Radha Palace Dehradun
The Mall
Dehradun 248 001
Uttarakhand, India

Company Secretary and Compliance Officer

Ananta Narayan Panda
705-706, Vatika Professional Point
Sector-66 Golf Course Extension Road
Gurgaon 122 001
Haryana, India
Tel: +91 135 6080 0030
E-mail: grievance@windlasbiotech.com

Board of Directors

As on the date of this Draft Red Herring Prospectus, our Board comprises the following:

Name	Designation	DIN	Address
Vivek Dhariwal	Chairman and Non-Executive Independent Director	02826679	73, Kalpataru Pinnacle, Goregaon Mulund Link Road, Goregaon West, Mumbai 400 104
Ashok Kumar Windlass	Wholetime Director	00011451	53-R, Rajpur Road, Dehradun 248 001, Uttarakhand, India
Hitesh Windlass	Managing Director	02030941	D 1/2 B, Hibiscus, Sector 50, Gurgaon, Haryana 122 001
Manoj Kumar Windlass	Joint Managing Director	00221671	53-R, Rajpur Road, Dehradun 248 001, Uttarakhand, India
Pawan Kumar Sharma	Executive Director	08478261	House No. 9, Lane No. 12 Aashirwad Enclave, Dehradun 248 001, Uttarakhand, India
Prachi Jain Windlass	Non-Executive Director	06661073	D-1/2B, Hibiscus, Sector 50, Gurgaon, Haryana 122001
Srinivasan Venkataraman	Non-Executive Independent Director	01132306	801-802 Ekta Oculus, 11th Floor N B Patil Marg Moti Baug Park Behind Ratna Department Store Chembur, Mumbai 400 071, Maharashtra, India
Gaurav Gulati	Non-Executive Independent Director	02308392	E-82 Westend Heights DLF Phase 5, Gurgaon 122 002, Haryana, India

For further details of our Board, see "*Our Management*" beginning on page 159.

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus has been filed electronically with SEBI on SEBI's online portal and emailed to cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure – Division of Issues and Listing – CFD".

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act, 2013 shall be filed with the RoC and a copy of the Prospectus shall be filed under Section 26 of the Companies Act, 2013 with the RoC.

Book Running Lead Managers

SBI Capital Markets Limited
202, Maker Tower 'E'
Cuffe Parade
Mumbai 400 005
Maharashtra, India
Tel: +91 22 2217 8300
E-mail: windlas.ipo@sbicaps.com
Website: www.sbicaps.com
Investor Grievance ID: investor.relations@sbicaps.com
Contact Person: Gaurav Mittal/Janardhan Wagle
SEBI Registration Number: MB/INM000003531

DAM Capital Advisors Limited
(*Formerly IDFC Securities Limited*)
One BKC, Tower C, 15th Floor, Unit No.1511
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Maharashtra, India
Tel: +91 22 4202 2500
E-mail: windlas.ipo@damcapital.in
Website: www.damcapital.in
Investor Grievance ID: complaint@damcapital.in
Contact Person: Chandresh Sharma
SEBI Registration Number: MB/INM000011336

IIFL Securities Limited
10th Floor, IIFL Centre
Kamala City, Senapati Bapat Marg
Lower Parel (West)
Mumbai 400 013
Maharashtra, India
Tel: +91 22 4646 4600
E-mail: windlas.ipo@iiflcap.com
Website: www.iiflcap.com
Investor Grievance ID: ig.ib@iiflcap.com
Contact Person: Aditya Agarwal/ Harshvardhan Jain
SEBI Registration Number: MB/INM000010940

Syndicate Members

[●]

Legal Counsel to the Company and the Selling Shareholders as to Indian Law

Cyril Amarchand Mangaldas
3rd Floor, Prestige Falcon Towers
19, Brunton Road
Bengaluru 560 025, Karnataka
India
Tel: +91 80 6792 2000

Legal Counsel to the BRLMs as to Indian Law

S&R Associates
One World Centre
1403 Tower 2 B
841 Senapati Bapat Marg, Lower Parel
Mumbai 400 013
Maharashtra, India
Tel: +91 22 4302 8000

International Legal Counsel to the BRLMs

Squire Patton Boggs (MEA) LLP
Dubai International Financial Centre (DIFC)
Burj Daman Office Tower, Level 10
Dubai 111713
United Arab Emirates
Tel: +971 4447 8700

Statutory Auditors to our Company

S. S. Kothari Mehta & Company
Plot No. 168, Okhla Industrial Area, Phase III
New Delhi - 110020
Tel: +91 11-4670 8888
Email: delhi@sskmin.com
Firm Registration Number: 000756N
Peer Review Certificate Number: 011814

Changes in auditors

There have been no changes in our statutory auditors during the last three years.

Registrar to the Offer

Link Intime India Private Limited

C-101, 1st Floor
247 Park
Lal Bhadur Shastri Marg
Vikhroli (West)
Mumbai 400 083
Maharashtra, India
Tel: +91 22 4918 6200
E-mail: haresh.hinduja@linkintime.co.in
Website: www.linkintime.co.in
Investor grievance e-mail ID: ipo.helpdesk@linkintime.co.in
Contact Person: Haresh Hinduja
SEBI Registration Number: INR000004058

Bankers to the Offer

Escrow Collection Bank(s)

[●]

Refund Bank(s)

[●]

Public Offer Bank(s)

[●]

Sponsor Bank

[●]

Bankers to the Company

State Bank of India
SME Branch
69, Rajpur Road
Dehradun 248 001
Attention: Saurabh Pant
Tel: +91 75359 01234
E-mail: sbi.04186@sbi.co.in
Website: www.sbi.co.in

HDFC Bank Ltd.
Vatika Atrium,'A' Block
Sector -53, Golf Course Road
Gurgoan 122 002
Attention: Amit Bajaj
Tel: +91 93105 10624
E-mail: amit.bajaj@hdfcbank.com
Website: www.hdfcbank.com

IndusInd Bank Limited
3rd Floor, Tower 10-B
Gurgaon 122 002
Attention: Rishank Pandey
Tel: +91 98110 54253
E-mail: rishank.pandey@indusind.com
Website: www.indusind.com

Designated Intermediaries

Self-Certified Syndicate Banks

The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.

Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time.

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx? and www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and on the website of NSE at www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, as updated from time to time.

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated May 13, 2021 from S.S. Kothari Mehta & Company., to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated April 27, 2021 on our Restated Consolidated Financial Information; and (ii) their report dated May 13, 2021 on the statement of tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

In addition, our Company has received written consent dated May 7, 2021 from Rajeev Kumar Gupta, Chartered Engineer, as chartered engineer to include his name as an "expert" as defined under Section 2(38) and other applicable provisions of the Companies Act, 2013 in relation to the details of the Company's installed operating capacity and capacity utilization at the manufacturing facilities of the Company and written consent dated May 11, 2021 from Dr. Priyanka Mehta, GNP Legal Consulting as intellectual property consultant to include their name under Section 26(5) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of their certificate on the (i) patent and trademark filings and registrations of the Company, the Subsidiary and Joint Venture; and (ii) product filings and registrations in India and certain other jurisdictions, as of December 31, 2020. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Monitoring Agency

Our Company will appoint a monitoring agency prior to the filing of the Red Herring Prospectus in accordance with Regulation 41 of the SEBI ICDR Regulations. The relevant details shall be included in the Red Herring Prospectus.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

Credit Rating

As this is an Offer of Equity Shares, there is no credit rating required for the Offer.

IPO Grading

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Offer.

Debenture Trustees

As this is an offer of Equity Shares, the appointment of debenture trustees is not required.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Inter-se allocation of responsibilities

The following table sets forth the inter-se allocation of responsibilities for various activities among the BRLMs:

S. No.	Activity	Responsibility	Coordinator
1.	Capital structuring, due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing	BRLMs	SBICAP
2.	Drafting and approval of all statutory advertisement	BRLMs	SBICAP
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report	BRLMs	DAM Capital
4.	Appointment of intermediaries – Registrar to the Issue, advertising agency, Banker(s) to the Issue, Sponsor Bank, printer and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	BRLMs	IIFL
5.	International institutional marketing of the Issue, which will cover, *inter alia*: • Preparation of road show presentation and frequently asked questions • marketing strategy; • Finalizing the list and division of investors for one-to-one meetings; and • Finalizing road show and investor meeting schedule	BRLMs	SBICAP
6.	Domestic institutional marketing of the Issue, which will cover, *inter alia*: • marketing strategy; • Finalizing the list and division of investors for one-to-one meetings; and • Finalizing road show and investor meeting schedule	BRLMs	IIFL
7.	Retail and non-institutional marketing of the Offer, which will cover, inter-alia: • Finalising media, marketing, public relations strategy and publicity budget including list of frequently asked questions at retail road shows; • Finalising collection centres; • Finalising centres for holding conferences for brokers etc.;	BRLMs	DAM Capital

S. No.	Activity	Responsibility	Coordinator
	• Finalising commission structure; and • Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material.		
8.	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, payment of 1% security deposit (if any), anchor coordination, anchor CAN and intimation of anchor allocation	BRLMs	DAM Capital
9.	Managing the book and finalization of pricing in consultation with the Company	BRLMs	SBICAP
10.	Post-Issue activities, which shall involve essential follow-up with Bankers to the Issue and SCSBs to get quick estimates of collection and advising Company about the closure of the Issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds, payment of STT on behalf of the Selling Shareholders and coordination with various agencies connected with the post-Issue activity such as Registrar to the Issue, Bankers to the Issue, Sponsor Bank, SCSBs including responsibility for underwriting arrangements, as applicable. Coordinating with Stock Exchanges and SEBI for submission of all post-Issue reports including the initial and final post-Issue report to SEBI, release of 1% security deposit post closure of the Issue, if any.	BRLMs	IIFL

Book Building Process

Book Building Process, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band, Employee Discount and minimum Bid Lot size will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and advertised in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper (Hindi being the regional language of Uttarakhand, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLMs after the Bid/Offer Closing Date.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the RIBs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders (subject to the Bid Amount being up to ₹200,000) and Eligible Employees Bidding in the Employee Reservation Portion (subject to the Bid Amount being up ₹500,000, net of Employee Discount, if any) can revise their Bids during the Bid/Offer Period and withdraw their Bids on or before the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Allocation to the Anchor Investors will be on a discretionary basis. Except for Allocation to RIBs and the Anchor Investors, allocation in the Offer will be on a proportionate basis.

For further details on the method and procedure for Bidding, see "*Offer Structure*" and "*Offer Procedure*" on pages 295 and 298, respectively.

Each Bidder by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

The process of Book Building under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the Bidders are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.

Bidders should note that, the Offer is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Offer Procedure"* on page 298.

Underwriting Agreement

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC.

Our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued and offered in the Offer. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.)

Name, Address, Telephone Number and Email Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (in ₹ million)
[●]	[●]	[●]

The abovementioned underwriting commitments are indicative and will be finalised after pricing of the Offer, the Basis of Allotment and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

In the opinion of our Board, the resources of the abovementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board/ IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company, as on the date of this Draft Red Herring Prospectus, is set forth below.

(In ₹, except share data)

Sr. No.	Particulars	Aggregate value at face value	Aggregate value at Offer Price*
A.	**AUTHORISED SHARE CAPITAL**[(1)]		
	108,000,000 Equity Shares of face value of ₹5 each	540,000,000	-
	20,500,000 preference shares of face value of ₹10 each	205,000,000	-
	300,000 preference shares of face value of ₹100 each	30,000,000	-
	Total	**775,000,000**	-
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	18,207,419 Equity Shares of face value of ₹5 each	91,037,095	-
	Total	**91,037,095**	
C.	**PRESENT OFFER**		
	Offer of up to [●] Equity Shares[(2)(3)]	[●]	[●]
	Of which		
	Fresh Issue of up to [●] Equity Shares aggregating up to ₹1,650 million [(2)(3)]	[●]	1,650,000,000
	Offer for Sale of up to 5,142,067 Equity Shares by the Selling Shareholders[(4)]	25,710,335	[●]
	Which includes		
	Employee Reservation Portion of up to [●] Equity Shares[(5)]	[●]	[●]
	Net Offer of up to [●] Equity Shares	[●]	[●]
D.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER***		
	[●] Equity Shares of face value of ₹5 each	[●]	[●]
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer		727,985,835.00[#]
	After the Offer		[●]

* *To be included upon finalisation of Offer Price*

[#] *As on December 31, 2020, the securities premium amount was ₹754.91 million. The securities premium amount mentioned in the table above is as adjusted for the bonus issue dated April 26, 2021.*

(1) *For details in relation to the changes in the authorised share capital of our Company in the last 10 years, see "History and Certain Corporate Matters – Amendments to the Memorandum of Association" on page 153*

(2) *Our Company and the Selling Shareholders may, in consultation with the BRLMs consider a Pre-IPO Placement by our Company of an aggregate amount not exceeding ₹500 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and will be undertaken prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR*

(3) *The Fresh Issue has been authorised by our Board of Directors and our Shareholders pursuant to the resolutions passed at their meetings dated April 27, 2021 and May 6, 2021, respectively.*

(4) *The Individual Selling Shareholder pursuant to her consent letter dated May 5, 2021 and the Investor Selling Shareholder pursuant to its resolution dated May 6, 2021 and consent letter dated May 6, 2021 have consented to participate in the Offer for Sale. Each Selling Shareholder confirms that their respective portion of the Offered Shares have been held by them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI in accordance with Regulation 8 of the SEBI ICDR Regulations or are otherwise eligible for being offered for sale in the Offer in accordance with the provisions of the SEBI ICDR Regulations.*

(5) *Eligible Employees bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹500,000 (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000 (net of Employee Discount), subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount)*

Notes to the Capital Structure

1. **Share Capital History of our Company**

(i) ***Equity share capital***

The history of the equity share capital of our Company is set forth in the table below:

Date of allotment[#]	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital
February 27, 2001	50,800	10	10	Cash	Initial subscription to the MoA[(1)]	50,800	508,000
March 4, 2003	1,899,200	10	10	Cash	Further issue[(2)]	1,950,000	19,500,000
March 12, 2004	1,050,000	10	10	Cash	Rights issue[(3)]	3,000,000	30,000,000

Date of allotment[#]	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital
November 28, 2008	2,000,000	10	-	NA	Bonus issue in the ratio of two equity shares of face value of ₹10 each for every three equity shares of face value of ₹10 each held in our Company[(4)]	5,000,000	50,000,000
November 10, 2015	588,236	10	849.99	Cash	Preferential issue[(5)]	5,588,236	55,882,360
December 18, 2018	739,998	10	N/A	Cash*	Conversion of CCPS[(6)]	6,328,234	63,282,340
December 18, 2018	82,829	10	581.32	Cash	Private Placement [(7)]	6,411,063	64,110,630
April 17, 2021	Sub-division of equity shares of face value of ₹10 each to equity shares of face value of ₹5 each					12,822,126	64,110,630
April 26, 2021	5,385,293	5	-	NA	Bonus issue in the ratio of 4.2 Equity Shares of face value of ₹5 each for every 10 Equity Shares of face value of ₹5 each held in our Company[(8)]	18,207,419	91,037,095
	Total					**18,207,419**	**91,037,095**

**Cash was paid at the time of allotment of the CCPS*

[#]Certain corporate secretarial records and other records in relation to certain allotments are not traceable. For further details, see "Risk Factors - Certain of our corporate records are not traceable or have discrepancies. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard." on 47.

(1) Allotment of 100 equity shares each to Vinay Kumar Windlass, Sudhir Kumar Windlass, Rahul Windlass, Rajiv Goil, Beena Windlass, Vimla Windlass and Tarang Windlass, and 50,100 equity shares to Ashok Kumar Windlass

(2) Allotment of 249,900 equity shares to Rajiv Goil, 150,000 equity shares to Ashish Jain, 49,900 equity shares to Rahul Windlass, 2,900 equity shares to Beena Windlass, 2,900 equity shares to Vimla Windlass, 2,900 equity shares to Tarang Windlass, 496,900 equity shares to Vinay Kumar Windlass, 446,900 equity shares to Ashok Kumar Windlass and 496,900 equity shares to Sudhir Kumar Windlass

(3) Allotment of 350,000 equity shares each to Vinay Kumar Windlass, Ashok Kumar Windlass and Sudhir Kumar Windlass

(4) Allotment of 542,445 equity shares each to Vinay Kumar Windlass and Sudhir Kumar Windlass, 542,444 equity shares to Ashok Kumar Windlass 33,333 equity shares to Rahul Windlass, 166,666 equity shares to Rajiv Goil, 2,000 equity shares each to Beena Windlass, Vimla Windlass and Tarang Windlass, and 166,667 equity shares to Ashish Jain

(5) Allotment of 588,236 equity shares to Tano India Private Equity Fund II

(6) Allotment of 739,998 equity shares to Tano India Private Equity Fund II

(7) Allotment of 82,829 equity shares to Ashok Kumar Windlass

(8) Allotment of 3,780,396 Equity Shares to Ashok Kumar Windlass, 1,184,893 to Tano India Private Equity Fund II, 420,000 Equity Shares to Vimla Windlass and one Equity Share each to Hitesh Windlass, Manoj Kumar Windlass, Payal Windlass and Prachi Jain Windlass

(ii) ***Preference Share capital***

The history of the preference share capital of our Company is set forth in the table below:

Date of allotment[#]	Number of preference shares allotted	Face value per preference share (₹)	Issue price per preference share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Preference shares	Cumulative paid-up Preference share capital
November 10, 2015	294,117	100	850	Cash	Allotment of CCPS[(1)]	294,117	29,411,700
December 18, 2018	(294,117)	100	N/A	Cash*	Conversion of CCPS[(2)]	-	-

**Cash was paid at the time of allotment of the CCPS*

(1) Allotment of 294,117 CCPS to Tano India Private Equity Fund II.

(2) Allotment of 739,998 equity shares to Tano India Private Equity Fund II on conversion of 294,117 CCPS.

As of the date of this Draft Red Herring Prospectus, our Company does not have any outstanding preference shares.

2. **Issue of Equity Shares at a price lower than the Offer Price in the last year**

Our Company has not issued any Equity Shares at a price that may be lower than the Offer Price during the last one year preceding the date of this Draft Red Herring Prospectus.

3. **Issue of shares for consideration other than cash or by way of bonus issue or out of revaluation reserves**

(i) Our Company has not issued any equity shares out of revaluation reserves since its incorporation.

(ii) Our Company has not issued any equity shares for consideration other than cash or by way of bonus issue, as on the date of this Draft Red Herring Prospectus, except as disclosed below:

Date of allotment	Number of equity shares allotted	Face value per equity share	Issue price per equity share (₹)	Reason for allotment	Benefits accrued to our Company
November 28, 2008	2,000,000	10	-	Bonus issue in the ratio of two equity shares of face value of ₹10 each shares for every three equity shares of face value of ₹10 each held in our Company [(1)]	-
April 26, 2021	5,385,293	5	-	Bonus issue in the ratio of 4.2 Equity Shares of face value of ₹5 each for every 10 Equity Shares of face value of ₹5 each held in our Company[(2)]	-

[(1)] *Allotment of 542,445 equity shares each to Vinay Kumar Windlass and Sudhir Kumar Windlass, 542,444 equity shares to Ashok Kumar Windlass, 33,333 equity shares to Rahul Windlass, 166,666 equity shares to Rajiv Goil, 2,000 equity shares each to Beena Windlass, Vimla Windlass and Tarang Windlass, and 166,667 equity shares to Ashish Jain*

[(2)] *Allotment of 3,780,396 Equity Shares to Ashok Kumar Windlass, 1,184,893 to Tano India Private Equity Fund II, 420,000 Equity Shares to Vimla Windlass and one Equity Share each to Hitesh Windlass, Manoj Kumar Windlass, Payal Windlass and Prachi Jain Windlass*

For further details, please see "- *Share Capital History of our Company"* and *"History and Certain Corporate Matters"* on pages 70 and 153, respectively.

4. **Issue of Equity Shares pursuant to schemes of arrangement**

Our Company has not allotted any Equity Shares in terms of any scheme of arrangement approved under Sections 391-394 of the Companies Act, 1956 or Sections 230-234 of the Companies Act, 2013.

5. **Shareholding Pattern of our Company**

The table below presents the equity shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialised form (XIV)
								Number of Voting Rights		Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class: Equity Shares	Total								
(A)	Promoter and Promoter Group	7	14,201,352	-	-	14,201,352	78.00	14,201,352	14,201,352	78.00	-	-	-		-		14,201,352
(B)	Public	1	4,006,067	-	-	4,006,067	22.00	4,006,067	4,006,067	22.00	-	-	-		-		4,006,067
(C)	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-		-		-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-		-		-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-		-		-
	Total (A+B+C)	**8**	**18,207,419**	**-**	**-**	**18,207,419**	**100**	**18,207,419**	**18,207,419**	**100**	**-**	**-**	**-**		**-**		**18,207,419**

6. **Details of equity shareholding of the major Shareholders of our Company**

(i) The Shareholders holding 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them as on the date of filing of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre- Offer Equity Share capital (%)
1.	Promoter Trust	8,381,340	46.03
2.	Ashok Kumar Windlass	4,400,000	24.17
3.	Tano India Private Equity Fund II	4,006,067	22.00
4.	Vimla Windlass	1,420,000	7.80
	Total	**18,207,407**	**99.99**

(ii) The Shareholders who held 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them 10 days prior to the date of filing of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre- Offer Equity Share capital (%)
1.	Ashok Kumar Windlass	12,781,340	70.20
2.	Tano India Private Equity Fund II	4,006,067	22.00
3.	Vimla Windlass	1,420,000	7.80
	Total	**18,207,407**	**99.99**

(iii) The Shareholders who held 1% or more of the paid-up equity share capital of our Company and the number of equity shares held by them one year prior to the date of filing of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of equity shares	Percentage of the pre- Offer Equity Share capital (%)
1.	Ashok Kumar Windlass	4,500,471	70.20
2.	Tano India Private Equity Fund II	1,410,587	22.00
3.	Vimla Windlass	500,000	7.80
	Total	**6,411,058**	**99.99**

(iv) The Shareholders who held 1% or more of the paid-up equity share capital of our Company and the number of equity shares held by them two years prior to the date of filing of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of equity shares	Percentage of the pre- Offer Equity Share capital (%)
1.	Ashok Kumar Windlass	4,500,471	70.20
2.	Tano India Private Equity Fund II	1,410,587	22.00
3.	Vimla Windlass	500,000	7.80
	Total	**6,411,058**	**99.99**

7. **Details of Equity Shares held by our Directors, Key Managerial Personnel, Promoters and Promoter Group**

a. As on the date of this Draft Red Herring Prospectus, our Promoters and members of our Promoter Group hold an aggregate of 14,201,352 Equity Shares, aggregating to 78.00% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company.

Name	Number of Equity Shares	Percentage of the pre-Offer Equity Share Capital (%)
Promoters		
Promoter Trust	8,381,340	46.03
Ashok Kumar Windlass[#]	4,400,000	24.17
Hitesh Windlass[#]	3	Negligible
Manoj Kumar Windlass[#]	3	Negligible
Total (A)	12,781,346	70.20
Promoter Group		
Vimla Windlass*	1,420,000	7.80
Prachi Jain Windlass[##]	3	Negligible
Payal Windlass	3	Negligible
Total (B)	1,420,006	7.80
Total (C=A+B)	**14,201,352**	**78.00**

* *Also participating in the Offer for Sale as the Individual Selling Shareholder.*

[#] *Ashok Kumar Windlass, Hitesh Windlass, and Manoj Kumar Windlass are Directors and Key Managerial Personnel of the Company. For details, see "Our Management" on page 159.*

[##] *Prachi Jain Windlass is a Director on our Board.*

For further details, see "*Our Promoters and Promoter Group*" and "*Our Management*" on page 175 and 159, respectively.

b. Other than Ashok Kumar Windlass, Hitesh Windlass and Manoj Kumar Windlass, none of our Key Managerial Personnel hold any Equity Shares in the Company. However, our Key Managerial Personnel hold employee stock options in the Company. For further details, see " - *ESOP 2021 – Key Managerial Personnel*" on page 77.

c. **Build-up of the shareholding of our Promoters in our Company**

The details regarding the build-up of the shareholding of our Promoters in our Company is set forth in the table below:

Date of transfer/ allotment of equity shares/ date when fully-paid up	Number of equity shares allotted/ transferred	Nature of transaction	Nature of consideration	Face Value per equity share (₹)	Transfer price/ issue price per equity share (₹)	Percentage of the pre-Offer capital (%)^	Percentage of the post-Offer capital (%)^
AKW WBL Family Private Trust							
May 10, 2021	8,381,340	Transfer from Ashok Kumar Windlass	NA	5	Nil	46.03	[●]
Total	**8,381,340**					**46.03**	[●]
Ashok Kumar Windlass							
February 27, 2001	50,100	Initial subscription to the MoA	Cash	10	10	0.27	[●]
March 4, 2003	446,900	Further issue	Cash	10	10	2.45	[●]
March 12, 2004	350,000	Rights issue	Cash	10	10	1.92	[●]
November 20, 2006	(33,334)	Transfer to Ashish Jain	Cash	10	10	0.18	[●]
November 28, 2008	542,444	Bonus issue	NA	10	-	2.97	[●]
September 7, 2010	1,356,112	Transfer from Sudhir Windlass	Gift	10	Nil	7.44	[●]
September 7, 2010	83,333	Transfer from Rahul Windlass	Gift	10	Nil	0.45	[●]
September 7, 2010	5,000	Transfer from Beena Windlass	Gift	10	Nil	0.02	[●]
September 7, 2010	5,000	Transfer from Tarang Windlass	Gift	10	Nil	0.02	[●]
September 7, 2010	111,112	Transfer from Vinay Kumar Windlass	Gift	10	Nil	0.61	[●]
September 7, 2010	416,666	Transfer from Saroj Kumar Windlass	Gift	10	Nil	2.28	[●]
September 7, 2010	(10,000)	Transfer to Payal Windlass	Gift	10	Nil	0.05	[●]
September 7, 2010	(10,000)	Transfer to Prachi Jain Windlass	Gift	10	Nil	0.05	[●]
July 2, 2011	(250,000)	Transfer to Hitesh Windlass	Gift	10	Nil	1.37	[●]
July 2, 2011	(250,000)	Transfer to Manoj Kumar Windlass	Gift	10	Nil	1.37	[●]
September 26, 2011	416,667	Transfer from Ashish Jain	Cash	10	62	2.28	[●]
January 3, 2014	499,999	Transfer from Hitesh Windlass	Gift	10	Nil	2.74	[●]
January 3, 2014	499,999	Transfer from Manoj Kumar Windlass	Gift	10	Nil	2.74	[●]
January 3, 2014	249,999	Transfer from Vani Windlass Shukla	Gift	10	Nil	1.37	[●]
January 3, 2014	9,999	Transfer from Payal Windlass	Gift	10	Nil	0.05	[●]
January 3, 2014	9,999	Transfer from Prachi Jain Windlass	Gift	10	Nil	0.05	[●]
November 10, 2015	(82,353)	Transfer to Tano India Private Equity Fund II	Cash	10	849.99	0.45	
December 18, 2018	82,829	Private placement	Cash	10	581.32	0.45	
March 27, 2021	1	Transfer from Vani Windlass	Gift	10	Nil	Negligible	[●]
April 17, 2021	Sub-division of equity shares of face value of ₹10 each to equity shares of face value of ₹5 each					-	-
April 26, 2021	3,780,396	Bonus issue	NA	5	-	20.76	[●]
May 10, 2021	(8,381,340)	Transfer to the Promoter Trust	NA	5	Nil	46.03	[●]
Total	**4,400,000**					**24.17**	**[●]**
Hitesh Windlass							
September 7, 2010	250,000	Transfer from Vinay Kumar Windlass	Gift	10	Nil	1.37	[●]
July 2, 2011	250,000	Transfer from Ashok Kumar Windlass	Gift	10	Nil	1.37	[●]
January 3, 2014	(499,999)	Transfer to Ashok Kumar Windlass	Gift	10	Nil	2.74	[●]
April 17, 2021	Sub-division of equity shares of face value of ₹10 each to equity shares of face value of ₹5 each					-	-
April 26, 2021	1	Bonus issue	NA	5	-	Negligible	[●]
Total	**3**					**Negligible**	**[●]**
Manoj Kumar Windlass							

Date of transfer/ allotment of equity shares/ date when fully-paid up	Number of equity shares allotted/ transferred	Nature of transaction	Nature of consideration	Face Value per equity share (₹)	Transfer price/ issue price per equity share (₹)	Percentage of the pre-Offer capital (%)^	Percentage of the post-Offer capital (%)^
September 7, 2010	250,000	Transfer from Vinay Kumar Windlass	Gift	10	Nil	1.37	[●]
July 2, 2011	250,000	Transfer from Ashok Kumar Windlass	Gift	10	Nil	1.37	[●]
January 3, 2014	(499,999)	Transfer to Ashok Kumar Windlass	Gift	10	Nil	2.74	[●]
April 17, 2021	Sub-division of equity shares of face value of ₹10 each to equity shares of face value of ₹5 each					-	-
April 26, 2021	1	Bonus issue	NA	5	-	Negligible	[●]
Total (C)	**3**					**Negligible**	**[●]**
Total (A+B+C)	**12,781,346**					**70.20**	[●]

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment/ acquisition of such Equity Shares.

As of the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged.

d. The Promoter Trust acquired 8,381,340 Equity Shares aggregating 46.03% of the Equity Share capital of the Company from Ashok Kumar Windlass. Further, Ashok Kumar Windlass acquired one equity share from Vani Windlass Shukla. Other than these transfers, none of the members of our Promoter Group, our Directors or their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

8. There have been no financing arrangements whereby members of our Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company (other than in the normal course of the business of the relevant financing entity) during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

9. **Details of Promoter's contribution and lock-in**

(i) Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters, shall be locked in for a period of three years as minimum Promoter's contribution from the date of Allotment and the shareholding of our Promoters in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of one year from the date of Allotment.

(ii) Details of the Equity Shares held by our Promoters to be locked-in for three years from the date of Allotment as minimum Promoter's contribution are set forth in the table below:

Name of Promoter	Number of Equity Shares locked-in	Date of allotment/ transfer of Equity Shares and when made fully paid-up*	Nature of transaction	Face Value per Equity Share (₹)	Offer/ Acquisition price per Equity Share (₹)	Percentage of the pre-Offer paid-up capital (%)	Percentage of the post-Offer paid-up capital (%)	Date up to which Equity Shares are subject to lock-in
Ashok Kumar Windlass	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

**All Equity Shares allotted to our Promoter were fully paid-up at the time of allotment.*
Note: To be completed prior to filing of the Prospectus with the RoC.

(iii) Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution in terms of Regulation 15 of the SEBI ICDR Regulations.

(iv) Our Promoters, have given their consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoter's Contribution as required under the SEBI ICDR Regulations.

(v) In this connection, please note that:

(a) The Equity Shares offered for Promoter's contribution do not include equity shares acquired in the three immediately preceding years (i) for consideration other than cash and revaluation of assets or capitalisation of intangible assets, or (ii) resulting from bonus issue by utilisation of revaluation reserves or unrealised profits of

our Company or bonus shares issued against Equity Shares which are otherwise ineligible for computation of minimum Promoter's contribution.

(b) The minimum Promoter's contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer.

(c) Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm.

(d) The Equity Shares forming part of our Promoters' contribution are not subject to any pledge.

(e) All the Equity Shares held by our Promoters are in dematerialised form.

10. **Other lock-in requirements:**

(i) In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters locked in for three years as specified above, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of one year from the date of Allotment except for the Equity Shares transferred pursuant to the Offer for Sale.

(ii) Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, our Promoters' contribution from the date of filing the Draft Red Herring Prospectus, until the expiry of the lock-in specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

(iii) Any Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

(iv) The pre-Offer Equity Shares held by any person other than our Promoters and locked-in for a period of one year from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with the Takeover Regulations.

11. **ESOP 2021**

Our Company, pursuant to the resolutions passed by our Board on April 16, 2021 and our Shareholders on April 17, 2021, adopted the Windlas Biotech Limited – Employee Stock Option Plan 2021 ("**ESOP 2021**") to create, offer, issue and allot in one or more tranches, up to 546,222 stock options which are convertible into Equity Shares to eligible employees. The purpose of the ESOP 2021 is to enable our Company 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. The aggregate number of Equity Shares issued under the ESOP 2021, upon exercise, shall not exceed 546,222 Equity Shares at such price and on such terms and conditions as may be fixed or determined by the Board.

The ESOP 2021 is in compliance with the SEBI SBEB Regulations. As on the date of this Draft Red Herring Prospectus, 419,439 options have been granted by our Company under the ESOP 2021. The details of the ESOP 2021, as certified by KRA & Co., Chartered Accountants pursuant to their certificate dated May 13, 2021 are as follows:

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Options granted</td><td>419,439</td></tr>
<tr><td>Vesting period</td><td>1 – 4 years</td></tr>
<tr><td>Exercise Price (in ₹)</td><td>275.35</td></tr>
<tr><td>Options vested and not exercised</td><td>Nil</td></tr>
<tr><td>Options exercised</td><td>Nil</td></tr>
<tr><td>The total number of Equity Shares arising as a result of exercise of options</td><td>Nil</td></tr>
<tr><td>Options forfeited/lapsed</td><td>Nil</td></tr>
<tr><td>Variation of terms of options</td><td>Nil</td></tr>
<tr><td>Money realized by exercise of options</td><td>Not applicable</td></tr>
<tr><td>Total number of options in force</td><td>546,222</td></tr>
<tr><td>Employee-wise detail of options granted to:</td><td>Company through their board resolution dated May 3, 2021, have granted 419,439 options</td></tr>
<tr><td>i. Key managerial personnel</td><td>
<table>
<tr><th>KMP</th><th>Options granted</th></tr>
<tr><td>Komal Gupta</td><td>41,183</td></tr>
<tr><td>Shailesh Gokhale</td><td>34,534</td></tr>
<tr><td>Mohammed Aslam</td><td>19,862</td></tr>
<tr><td>Om Prakash Sule</td><td>17,602</td></tr>
<tr><td>Pawan Kumar Sharma</td><td>17,020</td></tr>
<tr><td>Ananta Narayan Panda</td><td>1,365</td></tr>
</table>
</td></tr>
</table>

Particulars	Details
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
Fully diluted Earnings per Equity Share – (face value of ₹5 per Equity Share) pursuant to issue of Equity Shares on exercise of options calculated in accordance with the applicable accounting standard for 'Earnings per Share'	There is no impact on EPS as options are not vested as on date of this Draft Red Herring Prospectus
Lock-in	The Equity Shares issued upon exercise of options shall be freely transferable and shall not be subject to any lock-in period restriction after such issue except as required under the Applicable Laws including under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, or code of conduct framed, if any, by the Company after listing under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and on the Earnings per Equity Share – (face value ₹5 per Equity Share)	Not applicable
Description of the pricing formula method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	The fair value of option has been determined using Black-Scholes option pricing model. The significant assumptions used in model are as follows: a) Market Price: Rs. 275.35 b) Expected Life*: 3 to 7.01 years c) Volatility* (%) : 47.64 – 52.55 d) Risk Free Rate* (%) : 5.02 – 6.25 e) Exercise price – Rs. 275.35 f) Dividend Yield (%) : 0
Impact on profit and Earnings per Equity Share – (face value ₹5 per Equity Share) of the last three years if the accounting policies prescribed in the SEBI SBEB Regulations had been followed in respect of options granted in the last three years	There is no impact on EPS as options are not vested as on date of this Draft Red Herring Prospectus
Intention of the KMPs and whole time directors who are holders of Equity Shares allotted on exercise of options granted to sell their equity shares within three months after the date of listing of Equity Shares pursuant to the Offer	Not applicable as no Equity Shares have been allotted as a result of exercise of options
Intention to sell Equity Shares arising out of an employee stock option scheme within three months after the listing of Equity Shares, by Directors, senior management personnel and employees having Equity Shares arising out of an employee stock option scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Not applicable as no Equity Shares have been allotted as a result of exercise of options

** Expected life, volatility and risk free interest rates are provided as a range as these are varying with different vesting period.*

12. None of the BRLMs or their respective associates (as defined under the SEBI Merchant Bankers Regulations) hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.

13. All Equity Shares issued pursuant to the Offer will be fully paid up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

14. As of the date of the filing of this Draft Red Herring Prospectus, the total number of our Shareholders is eight.

15. Our Company, our Directors and the BRLMs have not made any or entered into any buy-back arrangements for purchase of Equity Shares.

16. Except for the Equity Shares proposed to be allotted pursuant to the Fresh Issue, the Pre-IPO Placement and the issuance of Equity Shares pursuant to exercise of stock options under the ESOP 2021, there will be no further issue of Equity Shares whether by way of issue of bonus shares, rights issue, preferential issue or any other manner during the period commencing from the date of filing of this Draft Red Herring Prospectus until the listing of the Equity Shares on the Stock Exchanges pursuant to the Offer.

17. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/ Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares

or qualified institutions placements or otherwise. Provided, however, that the foregoing restrictions do not apply to: (a) the issuance of any Equity Shares under the Offer; and (b) any issuance of Equity Shares pursuant to the exercise of employee stock options under the ESOP 2021.

18. There are no outstanding convertible securities or any warrant, option or right to convert a debenture, loan or other instrument which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue by our Company and Offer for Sale by the Selling Shareholders.

Offer for Sale

The Selling Shareholders will be entitled to their respective portion of the proceeds of the Offer for Sale after deducting their proportion of Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. For further details of the Offer for Sale, see "*The Offer*" beginning on page 55.

The Fresh Issue

Requirement of funds

Our Company proposes to utilise the Net Proceeds towards funding of the following objects:

1. Purchase of equipment required for (i) capacity expansion of our existing facility at Dehradun Plant – IV; and (ii) addition of injectables dosage capability at our existing facility at Dehradun Plant-II;

2. Funding incremental working capital requirements of our Company;

3. Repayment/prepayment of certain of our borrowings; and

4. General corporate purposes.

(collectively, referred to herein as the "**Objects**").

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable us (i) to undertake our existing business activities; and (ii) to undertake the activities proposed to be funded from the Net Proceeds. Further, our Company expects to receive the benefits of listing of the Equity Shares, including to enhance our visibility and our brand image among our existing and potential customers.

Net Proceeds

The details of the proceeds from the Fresh Issue are summarised in the following table:

Particulars	Estimated amount (₹ in million)
Gross Proceeds of the Fresh Issue	1,650.00
(Less) Offer related expenses in relation to the Fresh Issue[(1)]	[●]
Net Proceeds[(1)]	[●]

[(1)]To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in accordance with the details provided in the following table:

Particulars	Amount (₹ in million)
Purchase of equipment required for (i) capacity expansion of our existing facility at our Dehradun Plant – IV; and (ii) addition of injectables dosage capability at our existing facility at Dehradun Plant – II	500.00
Funding incremental working capital requirements of our Company	475.62
Repayment/prepayment of certain of our borrowings	200.00
General corporate purposes[(1)]	[●]
Total	[●]

[(1)]To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds.

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds as follows:

(₹ in million)

Particulars	Amount to be funded from the Net Proceeds	Estimated deployment of the Net Proceeds	
		Fiscal 2022	Fiscal 2023
Purchase of equipment required for (i) capacity expansion of our existing facility at our Dehradun Plant – IV; and (ii) addition of injectables dosage capability at our existing facility at Dehradun Plant – II	500.00	400	100
Funding incremental working capital requirements of our Company	475.62	294.73	180.89

Particulars	Amount to be funded from the Net Proceeds	Estimated deployment of the Net Proceeds	
		Fiscal 2022	Fiscal 2023
Repayment/prepayment of certain of our borrowings	200.00	200.00	NIL
General corporate purposes[(1)]	[●]	[●]	[●]
Total	[●]	[●]	[●]

[(1)] *To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds.*

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, current and valid quotations from suppliers, and other commercial and technical factors. However, such fund requirements and deployment of funds have not been appraised by any bank, or financial institution. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition, negotiation with vendors, variation in cost estimates on account of factors, including changes in design or configuration of the project, incremental pre-operative expenses and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws. Our historical capital expenditure may not be reflective of our future capital expenditure plans.

In the event that the estimated utilization of the Net Proceeds in a scheduled fiscal year is not completely met, due to the reasons stated above, the same shall be utilised in the next fiscal year, as may be determined by our Company, in accordance with applicable laws. If the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding other existing objects of the Fresh Issue, if required and towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Net Proceeds in accordance with the SEBI ICDR Regulations. For details on risks involved, see "*Risk Factors - Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.*" on page 46.

Means of finance

The fund requirements for all objects are proposed to be entirely funded from the Net Proceeds, and hence, no amount is proposed to be raised through any other means of finance. Accordingly, we are in compliance with the requirements prescribed under Paragraph 9(C)(1) of Part A of Schedule VIII and Regulation 7(1)(e) of the SEBI ICDR Regulations which require firm arrangements of finance to be made through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue and existing internal accruals. In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals and/or seeking additional debt from existing and/or other lenders.

Details of the Objects

I. Purchase of equipment required for (i) capacity expansion of our existing facility at Dehradun Plant – IV; and (ii) addition of injectables dosage capability at our existing facility at Dehradun Plant-II

A. *Capacity expansion of our existing facility at our Dehradun Plant – IV*

The objective of the proposed expansion of the Dehradun – Plant IV is to cater to further business growth to meet the business plan of the Company. For further details on our strategy on the proposed expansion, see "*Our Business – Our Strategies*" on page 133.

As a part of the expansion of the Dehradun Plant – IV, we will require various equipment such as (i) process equipment; (ii) HVAC and BMS; (iii) utility and mechanical; (iv) modular panels and supporting infrastructure; (v) electricals; (vi) ELV System; and (vii) other miscellaneous items.

Our Board in its meeting dated May 6, 2021 took note that an amount of ₹65.00 million is proposed to be utilised for purchase of equipment for capacity expansion of our existing facility at our Dehradun Plant – IV from the Net Proceeds. Our Company has received quotations from various suppliers for such equipment and is yet to place any orders or enter into definitive agreements for purchase of such equipment. Our Company intends to utilise ₹ 65.00 million from the Net Proceeds to purchase certain of such equipment. Equipment which are not purchased from the Net Proceeds shall be purchased from our internal accruals.

The break-down of such estimated costs are set forth below:

Particulars	Total Estimated Costs (in ₹ million)	Amount to be funded from the Net Proceeds (in ₹ million)*	Quotations received from	Date of Quotations	Validity
Process equipment**	37.94	37.94	Timet Engineering and Universal Engineers	The quotations from these vendors are dated from April 27, 2021 to April 30, 2021	180 days from the date of the quotation
HVAC and BMS	13.10	13.10	Wintech Eco Solutions Private Limited[#]	April 26, 2021	180 days from the date of the quotation
Utility and mechanical equipment	5.28	5.28	Universal Engineers	The quotations from these vendors are dated from April 26, 2021 to April 29, 2021	180 days from the date of the quotation
Modular panels and supporting infrastructure	4.48	4.48	Wintech Eco Solutions Private Limited[#]	April 27, 2021	180 days from the date of the quotation
Electrical equipment	1.23	1.23	Universal Engineers	April 25, 2021	180 days from the date of the quotation
ELV System	0.75	0.75	Universal Engineers	April 25, 2021	180 days from the date of the quotation
Miscellaneous	6.71	2.22	Ashish Constructions and Universal Engineers	The quotations from these vendors are dated from April 26, 2021 and April 29, 2021	180 days from the date of the quotation
Total	**69.49**	**65.00**			

[*]Excluding taxes. The taxes payable on such equipment will be paid from our internal accruals. Certain equipment quotations are subject to additional costs including freight, installation and commissioning costs, transportation costs, packaging and forwarding costs, insurance, customs, duties and other government levies, as applicable, which will be paid from our internal accruals.

*[#]Wintech Eco Solutions Private Limited ("**WESPL**") is one of our Group Companies and is a member of the Promoter Group. Further, one of our Promoters, Ashok Kumar Windlass, holds 47.50% of the total share capital of WESPL. For further details, see "Our Group Companies" and "Our Promoters and Promoter Group" on pages 178 and 175, respectively. Further, our Company has undertaken certain related party transactions with WESPL in the past three financial years and the nine months period ended December 31, 2020, as disclosed in "Financial Statements" on page 182.*

***Our Company proposes to purchase certain second-hand processing equipment, which includes, amongst other things, rapid mixer granulator, roll compactor, metal detector, coating machine, paste cattle, check weigher, strip packer machine and tipper device, the current age and minimum useful life of which are as follows:*

a) Age of equipment: The current age of the second-hand processing equipment proposed to be purchased range between three years and six years.
b) Minimum useful life of equipment: The minimum useful life of the second-hand processing equipment proposed to be purchased ranges between 10 years and 13 years

Details of the equipment:

a) *Process equipment*: Process equipment are used for converting the raw materials into finished goods suitable for human consumption. This includes various chemical and physical processes that are part of the product recipe and are qualified/ standardised under GMP. Process equipment comprises of blender (used to mix the active drug/ granules of active drug for readying it for subsequent compression into tablets or filling into capsules), compression machine (used to make identical sized tablets from blended powder), shifter (used to segregate fine versus coarse particles from the raw material as per recipe), multimill (used to achieve a certain granules size distribution in the blend prior to compression), roller compactor (used to create compressible granules from the powder blend), metal detector (used to detect and reject any foreign metallic particles in the tablets), coater (used to put a layer of functional or aesthetic coating material on the tablets), paste kettle (used to prepare binder solution as per recipe for further use in granulation), checkweigher (used to measure the average weight of the tablet or capsule as it exits the compression or capsule machine), tipper, lifter and positioning device and conveyor belt (used to transport/ load/ unload material in various process equipments).

b) *HVAC and BMS*: HVAC and BMS comprises of air handling units ("**AHUs**") used for maintaining the temperature, relative humidity and pressure differential for any processing areas or corridors in the plant, Building Management System used to monitor and control the temperature, relative humidity and pressure differential of all the AHUs installed , fabrication items for HVAC (includes ducts, insulation and other onsite services for the AHU), fabrication installation charges.

c) *Utility and mechanical equipment*: Utility and mechanical includes water system (required to convert borewell water into pharmacopeial grade water fit for medicinal manufacturing), air compressor piping (required for

operating various machineries in manufacturing and packing), potable water piping (required for providing treated water for cleaning of manufacturing areas), drains, steam lines, power distribution and miscellaneous items.

d) *Modular panels and supporting infrastructure*: Modular panels are used for providing smooth and clean surface that also serves as insulation for the specific area. Modular panels and supporting infrastructure comprises of clean room wall panels, riser panels, ceiling panels, bottom channels, single doors, double doors.

e) *Electrical equipment*: Electrical equipment are used for connecting all process and non-process machineries/ objects to the source of energy (power supply) in a controlled and monitorable manner. Electricals include main PCC panel, CI electrical panels, cable electrical panel, light fixture, sodium vapour lamp, flame proof sockets, without flame proof sockets and cable high rating.

f) *ELV System*: Extra low voltage System (**"ELV System**") is used for those equipments which work on sensitive low voltage signalling and are typically inclusive of systems like door interlocking, fire alarm and access control, and CCTVs.

g) *Miscellaneous*: Miscellaneous items include fire safety (required for handling of solvents or other inflammable items used during manufacturing processes) and epoxy (required to provide a smooth, cleanable and easily disinfectable floor surface across the manufacturing areas).

B. ***Addition of injectables dosage capability at our existing facility at Dehradun Plant - II***

We propose to utilize ₹ 435.00 million of our Net Proceeds towards purchase of equipment for addition of injectables dosage capability at our existing facility at Dehradun Plant - II ("**Dehradun Injectables Facility**"). For further details on our strategy, see "*Our Business – Our Strategies*" on page 133.

The Company will require the various equipment for the purposes of the Dehradun Injectables Facility including (i) electrical equipment; (ii) ELV System; (iii) utility and equipment; (iv) HVAC and BMS; (v) process equipment; (vi) support services; and (vii) miscellaneous items.

Our Board in its meeting dated May 6, 2021 took note that an amount of ₹435.00 million is proposed to be utilised for capital expenditure from the Net Proceeds. Our Company has received quotations from various suppliers for such equipment and is yet to place any orders or enter into definitive agreements for purchase of such equipment. Our Company intends to utilise ₹435.00 million from the Net Proceeds to purchase certain of such equipment. Equipment which are not purchased from the Net Proceeds shall be purchased from our internal accruals.

The break-down of such estimated costs are set forth below:

Particulars	Total Estimated Costs (in ₹ million)	Amount to be funded from the Net Proceeds (in ₹ million)*	Quotations received from	Date of Quotations	Validity
Process and packing equipment[##]	129.85	129.85	Timet Engineering and Wintech Eco Solutions Private Limited[#]	The quotations from these vendors are dated from April 26, 2021 to May 1, 2021	180 days from the date of the quotations
HVAC and BMS	82.30	82.30	Wintech Eco Solutions Private Limited[#]	The quotations from this vendor are dated May 2, 2021	180 days from the date of the quotations
Utility and mechanical equipment**	74.70	74.70	Timet Engineering, Universal Engineers and Praj HiPurity Systems	The quotations from these vendors are dated from April 27, 2021 to April 28, 2021	180 days from the date of the quotations
Support services	53.80	51.94	Ashish Constructions and Wintech Eco Solutions Private Limited[#]	April 27, 2021	180 days from the date of the quotations
Electrical equipment	32.95	32.95	Universal Engineers	April 27, 2021	180 days from the date of the quotations
Quality control equipment	24.86	24.86	Newtronic Lifecare Equipment Private Limited, Ana Printweigh Private Limited, Swan Enviro-Analytical Private Limited, Agilent Technologies, Labindia Analytical Instruments Private Limited, Machinfabric Industries Limited and MDI	The quotations from these vendors are dated from May 6, 2021 to May 7, 2021	180 days from the date of the quotations

Particulars	Total Estimated Costs (in ₹ million)	Amount to be funded from the Net Proceeds (in ₹ million)*	Quotations received from	Date of Quotations	Validity
			Advanced Microdevices Pvt. Ltd.		
Consultancy	7.00	7.00	Biopharmax India Private Limited	April 11, 2021	180 days from the date of the offer
ELV System	2.40	2.40	Universal Engineers	April 27, 2021	180 days from the date of the quotations
Miscellaneous items^	29.00	29.00	Ashish Constructions, Universal Engineering and Timet Engineering	The quotations from these vendors are dated from April 28, 2021 to May 2, 2021	180 days from the date of the quotations
Others^^	62.34^^	-	Ashish Constructions^^	April 26, 2021	180 days from the date of the quotation
Total	**499.21**	**435.00**			

**Excluding taxes. The taxes payable on such equipment will be paid from our internal accruals. Certain equipment quotations are subject to additional costs including freight, installation and commissioning costs, transportation costs, packaging and forwarding costs, insurance, customs, duties and other government levies, as applicable, which will be paid from our internal accruals.*

 # WESPL is one of our Group Companies and is a member of the Promoter Group. Further, one of our Promoters, Ashok Kumar Windlass, holds 47.50% of the total share capital of WESPL. For further details, see "Our Group Companies" and "Our Promoters and Promoter Group" on pages 178 and 175, respectively. Further, our Company has undertaken certain related party transactions with WESPL in the past three financial years and the nine months period ended December 31, 2020, as disclosed in "Financial Statements" on page 182.

***Our Company proposes to purchase certain utility and mechanical equipment, which includes, amongst other things, nitrogen generation and distribution system, diesel engine, air compressor and air reservoir, the current age and minimum useful life of which are as follows:*

a) Age of equipment: The current age of the second-hand processing equipment proposed to be purchased range between four to five years

b) Minimum useful of equipment: The minimum useful life of the second-hand processing equipment proposed to be purchased ranges between 11 to 12 years

##Our Company proposes to purchase certain second-hand processing equipment, which includes, amongst other things, vial liquid filling line, solution preparation vessel, transfer pump, holding vessel, cartoning machine, etc., the current age and minimum useful life of which are as follows:

a) Age of equipment: The current age of the second-hand processing equipment proposed to be purchased range between two years and six years

b) Minimum useful of equipment: The minimum useful life of the second-hand processing equipment proposed to be purchased ranges between 10 years and 14 years

^Our Company proposes to purchase certain second hand miscellaneous equipment which includes battery operated/hydraulic pallet handlers the current age and minimum useful life of which are three years and 13 years, respectively.

^^An aggregate amount of ₹62.34 is proposed to be funded out of internal accruals. The Company is still in the process of obtaining quotations for the purposes of the equipment proposed to be purchased from internal accruals.

Details of the equipment:

a) *Processing and packing equipment*:

Process equipment are used for performing the various physical as well as chemical treatments to the raw materials as per the standardised recipe in order to make the finished injectables product fit for human application. Process equipment comprise of vial liquid filling line, transfer pump, holding vessel, solution preparation vessel, cartoning machine, bundling machine, case packing machine, etc.

b) *HVAC and BMS*:

HVAC and BMS comprise of air cooled chiller, heat pump, steam operated hot water generation system, thermal storage, air handling units, sheet metal works, etc.

c) *Utility and mechanical equipment*:

Utility equipment comprises of air compressor, boiler, utility piping, insultation, purified water loop, comp air piping, raw water piping and painting.

d) *Support services*:

Support services are used for providing the necessary infrastructure for various black and clean utilities like Diesel Generator, water storage tanks etc.. Support services comprise of modular panels, electrical panel room, chimney

foundation, U.G. tank cap, storm water drainage network, water distribution and plumbing network, pipe rack network and QC lab infrastructure

e) Quality control equipment

Quality control equipment comprises of incubators, gas chromatograph with headspace, analyzer, stability chamber.

f) *Electrical equipment*:

Electrical equipment comprise of breaker indoor panel, transformer, HT & LT cables, UPS system, light fixtures, earthing and lightening system, cable tray system, electrical installation work, etc.

g) *Consultancy services*:

The Company has availed consultancy services from Biopharmax India Private Limited which includes *inter alia*, project scheduling, implementation, tracking design engineering, preparing progress report, etc.

h) *ELV System*:

ELV systems refer to fire alarm systems, door interlock systems, access control systems, CCTVs, public address system and data and telephone systems.

i) *Miscellaneous items*:

The miscellaneous items include building façade, lifts (material and passenger), fire and safety, racking system, battery operated hydraulic pallet handlers, general steel furniture and plastic pallets.

All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment or provide the service at the same costs. If there is any increase in the costs of equipment, the additional costs shall be paid by our Company from its internal accruals. The quantity of equipment to be purchased is based on the present estimates of our management. Our Company shall have the flexibility to deploy such equipment in relation to the (i) expansion of our Dehradun Plant – IV; and (ii) Dehradun Injectable Facility, according to the business requirements of such facilities and based on the estimates of our management. The actual mode of deployment has not been finalised as on the date of this Draft Red Herring Prospectus. For further details, see "*Risk Factors – Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.*" on page 46.

None of the orders for purchase of the machinery / equipment, as provided above, have been placed as on the date of this Draft Red Herring Prospectus. Accordingly, orders worth ₹568.70 million, which constitutes 100% of the total estimated costs in relation to the purchase of equipment required for (i) capacity expansion of our existing facility at Dehradun Plant – IV; and (ii) addition of injectables dosage capability at our existing facility at Dehradun Plant-II are yet to be placed. It is clarified that the Company proposes to utilise ₹500.00 million from the Net proceeds, and the balance ₹68.70 million of the total estimated costs will be paid by the Company out of internal accruals.

Our Company proposes to purchase certain equipment aggregating ₹115.60 million from Wintech Eco Solutions Private Limited, which is a member of our Promoter Group and one of our Group Companies. Other than Wintech Eco Solutions Private Limited, our Promoters, Directors and Key Managerial Personnel do not have any interest in the entities from whom we have obtained quotations.

II. Funding incremental working capital requirements of our Company

Our business is working capital intensive and we fund a majority of our working capital requirements in the ordinary course of our business from various banks and internal accruals.

(a) Existing Working Capital:

Our Company's existing working capital as at December 31, 2020, March 31, 2020, 2019 and 2018 are stated below:

(in ₹ million)

S. No	Particulars	December 31, 2020	March 31, 2020	March 31, 2019	March 31, 2018
I.	**Current assets**				
A.	Inventories	467.71	493.17	190.27	350.54
B.	Investments	230.11	222.80	209.00	223.84
C.	Trade receivables	940.64	639.38	617.35	665.91
D.	Cash and cash equivalents	28.70	180.78	128.55	71.95
E.	Bank balances other than cash and cash equivalents	278.12	3.06	3.41	4.69

S. No	Particulars	December 31, 2020	March 31, 2020	March 31, 2019	March 31, 2018
F.	Other financial assets	4.29	0.95	0.91	0.49
G.	Tax assets(net)	26.82	8.95	-	8.26
H.	Other current assets	134.65	131.20	55.11	113.84
	Total current assets (I)	**2,111.04**	**1,680.29**	**1,204.60**	**1,439.52**
II.	**Current liabilities**				
I.	Trade payables	738.11	831.36	579.35	846.17
J.	Lease liability	5.04	4.70	4.29	3.91
K.	Other financial liabilities	225.86	188.71	137.23	248.73
L.	Provisions	4.14	4.08	42.55	52.57
M.	Current tax liabilities(net)	-	-	-	-
N.	Other current liabilities	15.17	14.59	27.97	40.47
	Total current liabilities (II)	**988.33**	**1,043.44**	**791.39**	**1,191.85**
III.	**Total working capital requirement (III) = (I)-(II)-(D)-(E)-(G)**	**789.07**	**444.06**	**281.25**	**162.76**
IV.	**Fund pattern**				
A.	Internal accruals[1]	**589.41**	**234.61**	**110.47**	**Nil**

(1)Internal Accruals = Total working capital requirement – Short term borrowings

(b) Incremental Working Capital Requirements

The incremental and proposed working capital requirements, as approved by the Board pursuant to a resolution dated May 6, 2021, and the basis of key assumptions with respect to the determination of the same are mentioned below. Our Company's expected working capital requirements for Fiscals 2022 and 2023 and the proposed funding of such working capital requirements are as set out in the table below:

(in ₹ million)

S. No	Particulars	Financial Year 2021	Financial Year 2022	Financial Year 2023
I.	**Current assets**			
A.	Inventories	483.31	552.37	635.73
B.	Trade receivables	935.40	1,097.00	1,299.32
C.	Other assets*	369.71	394.92	424.52
	Total current assets (I)	**1,788.42**	**2,044.29**	**2,359.57**
II.	**Current liabilities**			
A	Trade payables	732.71	665.87	647.15
B.	Other liabilities	258.76	294.63	347.54
	Total current liabilities (II)	**991.47**	**960.49**	**994.69**
III.	**Total working capital requirement (III) = (I) - (II)**	**796.95**	**1,083.80**	**1,364.88**
IV.	**Fund pattern**			
A.	Internal accruals(1)	**464.24**	**789.06**	**1,183.99**
B.	Usage from Net Proceeds	**-**	294.73	180.89

**Excluding cash and bank balances and highly liquid current investments*

The following table sets forth the details of the holding levels (with days rounded to the nearest) considered:

Inventory Days*

As at December 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
63	85	36	54

** Inventory days = Inventory / Cost of Goods Sold * Number of days in the period or year*

Current receivables days*

As at December 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
80	71	73	69

** Current receivables days = Trade receivables / Revenue from operations * Number of days in the period or year*

Creditors Days*

As at December 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
99	143	110	130

**Creditor days = Trade payables / Cost of Goods Sold* Number of days in the period or year*

[1] *Internal Accruals = Total working capital requirement – Short term borrowings-Usage from Net Proceeds*

The working capital projections made by the Company are based on certain key assumptions, as set out below:

Particulars	Assumptions and Justifications
Inventories	Inventory days for Fiscal 2022 and Fiscal 2023 are assumed to be in similar range as existing at December 31, 2020
Current trade receivables	Current trade receivable days for Fiscal 2022 and Fiscal 2023 are assumed to be in similar range as existing at December 31, 2020
Trade payable	Trade payable days for Fiscal 2022 and Fiscal 2023 will reduce as the Company will improve its purchase efficiency and bring down the DPO (daily payable outstanding).
Other Current Assets	Other current assets include advance to suppliers, balances with government authorities like GST related ITC balances and other financial assets. These are expected to grow in line with increase in business. Current investments include investment in mutual funds which is expected to remain at the same level
Other Current Liabilities	Other current liabilities include accrued expenses, employees related provisions, payables to statutory authorities, advances from customers and lease liability. These are also expected to grow in line with increase in business.

Our Company proposes to utilize ₹294.73 million and ₹180.89 million of the Net Proceeds in Fiscals 2022 and 2023, respectively, towards our working capital requirements. The balance portion of our working capital requirement shall be met from internal accruals.

Pursuant to the certificate dated May 13, 2021, KRA & Co., Chartered Accountants have compiled the working capital estimates and working capital projections, as approved by the Board pursuant to its resolution dated May 6, 2021.

III. Repayment/pre-payment of certain of our borrowings

Our Company has entered into financing arrangements for availing terms loans. For disclosure of our borrowings as at March 31, 2021, see "*Financial Indebtedness*" beginning on page 271.

We may choose to repay or pre-pay certain borrowings availed by us, other than those identified in the table below, which may include additional borrowings we may avail after the filing of this Draft Red Herring Prospectus. Given the nature of these borrowings and the terms of repayment/pre-payment, the aggregate outstanding borrowing amounts may vary from time to time. In light of the above, at the time of filing the Red Herring Prospectus, the table below shall be suitably updated to reflect the revised amounts or loans as the case may be which have been availed by us. In the event our Board deems appropriate, the amount allocated for estimated schedule of deployment of Net Proceeds in a particular fiscal may be repaid/ pre-paid in part or full by our Company in the subsequent fiscal. The selection of borrowings proposed to be repaid/pre-paid by us shall be based on various factors including (i) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil such requirements, and (ii) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loans outstanding and the remaining tenor of the loan. We may repay or refinance the loan set out in the table below, prior to Allotment. In such a situation, we may utilise the Net Proceeds for part or full repayment of any such additional loan or loans obtained to refinance any of our existing loans.

We believe that such repayment or prepayment will help reduce our outstanding indebtedness and our debt-equity ratio and enable utilization of our internal accruals for further investment in business growth and expansion in new projects. In addition, we believe that the strength of our balance sheet and our leverage capacity will further improve, which shall enable us to raise further capital in the future at competitive rates to fund potential business development opportunities and plans to grow and expand our business in the coming years.

We propose to utilise an amount of ₹200 million from the Net Proceeds towards repayment or prepayment, in part or full, of the borrowings listed in the table below. The following table provides details of the borrowings availed by us which are outstanding as on March 31, 2021, out of which we may repay or prepay, in full or in part, any or all of the borrowings from the Net Proceeds:

S. No.	Name of the lender	Nature of borrowing	Amount borrowed (In ₹ million)	Outstanding amount as at April 5, 2021 (in ₹ million)	Repayment sate/ Schedule	Interest rate (p.a.)	Purpose of raising the loan	Pre-payment clause (if any)
1.	Bajaj Finance Limited	Short term rupee loan	80	80	Monthly interest servicing and bullet repayment at the end of six months i.e. September 18, 2021	6.75%	General purpose corporate loan	Nil
2.	Bajaj Finance Limited	Corporate loan	120	120	Monthly interest servicing. Bullet repayment on due date (After 12 months) from first disbursement i.e. March 24, 2021	6.75%	General purpose corporate loan	Nil
	Total		**200**	**200**				

** In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, which requires a certificate from the statutory auditor, certifying the utilization of loan for the purposes availed, our Company has obtained the requisite certificate.*

IV. General corporate purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹[●] million towards general corporate purposes, subject to such amount not exceeding 25% of the Net Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise Net Proceeds include strategic initiatives, funding growth opportunities, including acquisitions and meeting exigencies, brand building, meeting expenses incurred by our Company and strengthening of our manufacturing capabilities, as may be applicable.

In addition to the above, our Company may utilise the Net Proceeds towards other expenditure considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Company's management shall have flexibility in utilising surplus amounts, if any.

Offer Expenses

The total expenses of the Offer are estimated to be approximately ₹[●] million.

The Offer related expenses primarily include fees payable to the Book Running Lead Managers and legal counsels, fees payable to the Auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs, CDPs, SCSBs' fees, Sponsor Bank's fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Other than (i) the listing fees, which will be solely borne by the Company; and (ii) fees for counsel to each Selling Shareholder, which shall be solely borne by the respective Selling Shareholders, all costs, charges, fees and expenses that are associated with and incurred in connection with the Offer including, inter-alia, filing fees, book building fees and other charges, fees and expenses of the SEBI, the Stock Exchanges, the Registrar of Companies and any other Governmental Authority, advertising (except any advertisements constituting corporate communication not related to the Offer which shall be solely borne by the Company), printing, road show expenses, fees and expenses of the legal counsel to the Company and the legal counsel to the BRLMs as to Indian law and the international legal counsel to the BRLMs, fees and expenses of the statutory auditors, registrar fees and broker fees (including fees for procuring of applications), bank charges, fees and expenses of the BRLMs, syndicate members, Self-Certified Syndicate Banks, other Designated intermediaries and any other consultant, advisor or third party in connection with the Offer shall be borne by the Company and each of the Selling Shareholders in proportion to the number of Equity Shares issued and allotted by the Company pursuant to the Offer or transferred by the Selling Shareholders pursuant to the Offer.

All the expenses relating to the Offer shall be paid by the Company in the first instance. Upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, each Selling Shareholder shall, severally and not jointly, reimburse the Company for any expenses in relation to the Offer paid by the Company on behalf of the respective Selling Shareholder directly from the Public Offer Account. In the event the Offer is not consummated then the Selling Shareholders shall not be liable to reimburse any expenses incurred by the Company in this regard.

The estimated Offer related expenses are as under:

Activity	Estimated expenses[(1)] (in ₹ million)	As a % of the total estimated Offer expenses[(1)]	As a % of the total Offer size[(1)]
Book Running Lead Managers' fees	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Offer. Brokerage, underwriting commission and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs (2)(3)(4)(5)	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Fees payable to the other advisors to the Offer	[●]	[●]	[●]
Others			
- Listing fees, SEBI filing fees, upload fees, BSE & NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
- Printing and stationery	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- Fee payable to legal counsels	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

(1) Amounts will be finalised and incorporated in the Prospectus on determination of Offer Price

(2) *Selling commission payable to the SCSBs on the portion for Retail Individual Bidders, Eligible Employees and Non-Institutional Bidders, which are directly procured by the SCSBs, would be as follows:*

*Portion for Retail Individual Bidders**	*[●]% of the Amount Allotted* (plus applicable taxes)*
*Portion for Eligible Employees**	*[●]% of the Amount Allotted* (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted* (plus applicable taxes)*

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

(3) *No processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them.*

Processing fees payable to the SCSBs on the portion for Retail Individual Bidders, Eligible Employees and Non-Institutional Bidders which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

*Portion for Retail Individual Bidders**	*₹[●] per valid Bid cum Application Form (plus applicable taxes)*
*Portion for Eligible Employees**	*₹[●] per valid Bid cum Application Form (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹[●] per valid Bid cum Application Form (plus applicable taxes)*

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

(4) *The Processing fees for applications made by Retail Individual Bidders and Eligible Employees using the UPI Mechanism would be as follows:*

Sponsor Bank	*₹[●] per valid Bid cum Application Form* (plus applicable taxes)* *The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NCPI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.*

**For each valid application*

(5) *Selling commission on the portion for Retail Individual Bidders, Eligible Employees and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:*

*Portion for Retail Individual Bidders**	*[●]% of the Amount Allotted* (plus applicable taxes)*
*Portion for Eligible Employees**	*[●]% of the Amount Allotted* (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted* (plus applicable taxes)*

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

Appraising entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any bank or financial institution or other independent agency.

Interim use of Net Proceeds

Pending utilisation of the Net Proceeds for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits in one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, as may be approved by our Board.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge financing facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Monitoring of utilisation of funds

Our Company has appointed [●] as the monitoring agency in accordance with Regulation 41 of the SEBI ICDR Regulations. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in our balance sheet for such fiscals as required under applicable law, specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable fiscals, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds. Our Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be

published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the objects of the Offer without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "**Notice**") shall specify the prescribed details, including justification for such variation and be published and placed on website of our Company, in accordance with the Companies Act, 2013, read with relevant rules.

The Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where our Registered Office is situated. Pursuant to Section 13(8) of the Companies Act, 2013, our Promoters or controlling Shareholders will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with our Articles of Association, the Companies Act, 2013 and the SEBI ICDR Regulations.

Other confirmations

None of our Promoters, Directors, KMPs, Promoter Group or Group Companies will receive any portion of the Offer Proceeds and there are no material existing or anticipated transactions in relation to utilization of the Net Proceeds with our Promoters, Directors, KMPs or Promoter Group, except for: (i) the Individual Selling Shareholder, being a member of the Promoter Group, to the extent of the proceeds received pursuant to the Offer for Sale; (ii) one of our Promoters, Ashok Kumar Windlass, to the extent of shareholding in WESPL, which is one of the vendors from whom the Company proposes to purchase equipment; and (iii) to the extent of the amount payable to one of our Group Companies, WESPL, in its capacity as a vendor from whom the Company proposed to purchase equipment from a portion of the Net Proceeds. For further details, see "*Our Group Companies*" and "*Our Promoters and Promoter Group*" on pages 178 and 175, respectively.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholders in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. As on date of this DRHP, the face value of the Equity Shares is ₹5 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price, and Floor Price is [●] times the face value and the Cap Price is [●] times the face value. Investors should also see "*Risk Factors*", "*Summary of Financial Information*", "*Our Business*", "*Financial Statements*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 21, 57, 128, 182 and 235, respectively, to have an informed view before making an investment decision.

Qualitative Factors

- Some of the qualitative factors and our strengths which form the basis for computing the Offer Price are:
- Leading CDMO in India with a focus on the chronic therapeutic category
- Innovative portfolio of complex generic products supported by robust R&D capabilities
- Efficient and quality compliant manufacturing facilities with significant entry barriers
- Strong and long-term relationships with leading Indian pharmaceuticals companies
- Consistent track record of financial performance
- Experienced Promoters and senior management with a professional and technically qualified team

For details, see "*Our Business – Strengths*" on page 130.

Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Consolidated Financial Information. For details, see "*Financial Statements*" and "*Other Financial Information*" on page 182 and 233, respectively.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

A. Basic and Diluted Earnings Per Share ("EPS") (face value of each Equity Share is ₹5)

Fiscal	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2020	8.90	8.90	3
March 31, 2019	38.61	37.65	2
March 31, 2018	7.06	6.80	1
Weighted Average	**18.50**	**18.13**	
Nine months period ended December 31, 2020[#]	5.46	5.46	
Nine months period ended December 31, 2019[#]	8.65	8.65	

[#] *Not annualised*

NOTES:

1. *Basic earnings per share (₹) =* $\frac{\text{Restated consolidated profit for the year/period attributable to equity shareholders}}{\text{Weighted average number of equity shares in calculating basic EPS}}$

2. *Diluted earnings per share (₹) =* $\frac{\text{Restated consolidated profit for the year/period attributable to equity shareholders}}{\text{Weighted average number of diluted equity shares in calculating diluted EPS}}$

3. *The weighted average basic and diluted EPS is a product of basic and diluted EPS and respective assigned weight, dividing the resultant by total aggregate weight.*
4. *Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*
5. *Weighted Average Number of Equity Shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The weighted average number of equity shares outstanding during the period is adjusted for bonus issue and share split.*
6. *Our Company has, pursuant to a Board resolution dated April 16, 2021 and Shareholders resolution dated April 17, 2021, sub-divided the equity shares of face value of ₹10 each to Equity Shares of face value of ₹5 each and undertaken a bonus issue of 5,385,293 Equity Shares of face value of ₹ 5 each in ratio of 4.2:10 (i.e. 4.2 Bonus Shares for every 10 Equity Shares). Consequently, the issued, subscribed and paid-up share capital has increased to ₹ 91.03 million comprising of 18,207,419 equity shares of face value of ₹ 5 each*

B. Price/Earning ("P/E") ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share:

Particulars	P/E at the Floor Price (number of times)	P/E at the Cap Price (number of times)
Based on basic EPS for Fiscal 2020	**[●]**	**[●]**
Based on diluted EPS for Fiscal 2020	**[●]**	**[●]**

Industry Peer Group P/E ratio

Not applicable as there are no listed companies in India that engage in a business similar to that of our Company.

C. Return on Net worth ("RoNW")

Fiscal	RoNW (%)	Weight
March 31, 2020	8.04	3
March 31, 2019	8.97	2
March 31, 2018	9.40	1
Weighted Average	8.58	
Nine months ended December 31, 2020[#]	15.54	
Nine months ended December 31, 2019[#]	7.82	

[#] *Not annualised*

NOTES*:*

1. *Return on Net Worth ratio: Restated consolidated profit/(loss) after tax attributable to equity shareholders before exceptional items divided by Restated consolidated average Net worth.*
2. *The weighted average return on net worth is a product of return on net worth and respective assigned weight, dividing the resultant by total aggregate weight.*

D. Net Asset Value ("NAV") per Equity Share (face value of each Equity Share is ₹5)

Fiscal/ Period ended	NAV (₹)
As on March 31, 2020	115.15
As at December 31, 2020	105.99
After the completion of the Offer[(2)]	At the Floor Price: [●]
	At the Cap Price: [●]
	At the Offer Price: [●]

NOTES*:*

1. *Offer Price per equity share will be determined on conclusion of the Book Building Process.*
2. *Net asset value per equity share represents restated consolidated net worth at the end of the year/period divided by weighted average number of equity shares.*
3. *The Company has, pursuant to a Board resolution dated April 16, 2021 and Shareholders resolution dated April 17, 2021, sub-divided the equity shares of face value of ₹10 each to Equity Shares of face value of ₹5 each and undertaken a bonus issue of 5,385,293 Equity Shares of face value of ₹ 5 each in ratio of 4.2:10 (i.e. 4.2 Bonus Shares for every 10 Equity Shares). Consequently, the issued, subscribed and paid-up share capital has increased to ₹ 91.03 million comprising of 18,207,419 equity shares of face value of ₹ 5 each*

E. Comparison with Listed Industry Peers

There are no listed companies in India that engage in a business similar to that of our Company. Hence, it is not possible to provide an industry comparison in relation to our Company.

F. The Offer price is [●] times of the face value of the Equity Shares

The Offer Price of ₹[●] has been determined by our Company and the Selling Shareholders in consultation with the BRLMs, on the basis of market demand from investors for Equity Shares through the Book Building Process.

Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 21, 126, 182 and 235, respectively, to have a more informed view.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO WINDLAS BIOTECH LIMITED AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Date: May 13, 2021.

The Board of Directors
Windlas Biotech Limited
40/1. Mohabewala Industrial Area
Dehradun - 248 110
Uttarakhand, India

Dear Sir/Ma'am,

Re: Proposed initial public offering of equity shares of face value of INR 5 each (the "Equity Shares") of Windlas Biotech Limited (Formerly known as "Windlas Biotech Private Limited") (the "Company" and such initial public offering, the "Offer")

1. We, S.S. Kothari Mehta & Company, Statutory Auditors of the Company, hereby confirm that the enclosed **Annexure 1** and **Annexure 2** (together, the "**Annexures**"), prepared by the Company, provide the possible special tax benefits available to the Company and to the shareholders of the Company under direct and indirect tax laws including:

- The Income-tax Act, 1961 (the "Act") as amended by the Finance Act, 2020 applicable for the Financial Year 2020-21 relevant to the Assessment Year 2021-22, presently in force in India.

- the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2020 applicable for the Financial Year 2020-21, Foreign Trade Policy 2015-20 as extended till 31.03.2021 vide Notification No 57/2015-20 dated 31.03.2020 (unless otherwise specified), presently in force in India. The Act, the GST Acts, Customs Act and Tariff Act, as defined above, are collectively referred to as the "Relevant Acts".

2. Several of these benefits are dependent on the Company and/or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Relevant Acts. Hence, the ability of the Company and/or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company and/or its shareholders may or may not choose to fulfil.

3. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated in the Annexures is the responsibility of the Company's management. We are informed that these Annexures are only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

4. We do not express any opinion or provide any assurance as to whether:
    i. the Company and/or its shareholders will continue to obtain these benefits in future;
    ii. the conditions prescribed for availing the benefits have been / would be met with; and
    iii. the revenue authorities/courts will concur with the views expressed herein.

5. The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

6. This Statement is issued solely in connection with the Offer and is not to be used, referred to or distributed for any other purpose.

Yours faithfully,

For and on behalf of
S.S. Kothari Mehta & Company
Chartered Accountants
Firm Registration Number: 000756N

Yogesh Kumar Gupta
Partner
Membership No.: 093214
UDIN: 21093214AAAACG4802
Place: New Delhi

ANNEXURE 1

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

Direct Taxation

Outlined below are the possible special tax benefits available to Windlas Biotech Limited (the "Company") and its Shareholders under the Income-tax Act, 1961 (the "Act") as amended by the Finance Act, 2020 applicable for the Financial Year 2020-21 relevant to the Assessment Year 2021-22, presently in force in India.

I. Special tax benefits available to the Company

As per section 115BAA of the Act, the Company has an option to pay income tax in respect of its total income at a concessional tax rate of 25.168% (including applicable surcharge and cess) subject to satisfaction of certain conditions with effect from Financial Year 2019-20 (i.e. Assessment Year 2020-21).

The Company has adopted the said tax rate with effect from Financial Year 2019-20 (i.e. Assessment Year 2020-21). Such option once exercised shall apply to subsequent assessment years. In such a case, the Company may not be allowed to claim any of the following deductions/exemptions:

i. Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone
ii. Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation)
iii. Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)
iv. Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)
v. Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
vi. Deduction under section 35CCD (Expenditure on skill development)
vii. Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or Section 80M
viii. No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred from clause i) to vii) above.
ix. No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred from clause i) to vii) above Further, it was clarified by CBDT vide Circular No. 29/ 2019 dated 2 October 2019 that if the Company opts for concessional income tax rate under section 115BAA, the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable. Further, such Company will not be entitled to claim tax credit relating to MAT.

II. Special tax benefits available to the Shareholders of the Company

There are no special tax benefits available to the Shareholders of the Company for investing in the shares of the Company.

Notes:

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

2. This Annexure sets out only the possible special tax benefits available to the Company and the shareholders under the current Income-tax Act, 1961 i.e. the Act as amended by the Finance Act, 2020 applicable for the Financial Year 2020-21 relevant to the Assessment Year 2021-22, presently in force in India.

3. This Annexure covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

4. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax arising out of their participation in the Offer.

5. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant Double Tax Avoidance Agreement(s), if any, between India and the country in which the non-resident has fiscal domicile.

6. Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is provided that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

ANNEXURE 2

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

Indirect Taxation

Outlined below are the possible special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2020 applicable for the Financial Year 2020-21, Trade Policy 2015-20 as extended till 31.03.2021 vide Notification No. 57/2015-20 dated 31.03.2020 (unless otherwise specified), presently in force in India.

I. Special tax benefits available to the Company

The Company is availing the following benefits under Indirect Taxes:

1. In accordance with Section 54 of the CGST Act 2017, input tax credit paid on inputs and input services used in manufacture of exported goods/ IGST paid at the time of export of goods are eligible for refund, subject to prescribed conditions.

2. Duty drawback of duty paid on import of materials used in manufacture of export goods under Section 75 of the Customs Act.

3. Duty credit scrips under Merchandise Export from India Scheme ("MEIS") covered in Chapter 3 – Exports from India Scheme in Foreign Trade Policy 2015-20 as extended till 31.03.2021 vide Notification No. 57/2015-20 dated 31.03.2020 (unless otherwise specified). However, the Cabinet has approved a WTO compliant scheme Remission of Duty and Taxes on Exported Products ("RODTEP") to determine mechanism for reimbursement of taxes, duties/levies at central, state and local level. The said scheme will also replace MEIS in a phased manner. Further, the Directorate General of Foreign Trade ("DGFT") are yet to notify extension of Service Export from India Scheme for FY 2020-21 on which the decision will be taken and notified subsequently.

II. Special tax benefits available to the Shareholders of the Company

There are no special indirect tax benefits available to the shareholders of the Company.

Notes:

1. This Annexure sets out only the possible special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2020 applicable for the Financial Year 2020-21.

2. The above Statement covers only above-mentioned tax laws benefits and does not cover any Income Tax law benefits or benefit under any other law.

3. This Annexure is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

4. These comments are based upon the provisions of the specified indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

5. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

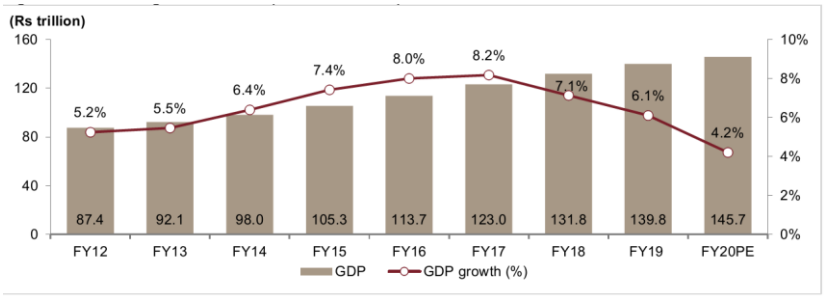
*Unless noted otherwise, the information in this section is obtained or extracted from "Assessment of the Global and Indian pharmaceuticals industry" dated April 2021 ("**CRISIL Report**") prepared and issued by CRISIL Research, a division of CRISIL Limited, on our request. Neither we nor any other person connected with the Offer have independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. Also, see "Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate" on page 47.*

MACROECONOMIC OVERVIEW OF INDIA

Trend in GDP growth in India

GDP increased at 6.6% CAGR between Fiscal 2012 and Fiscal 2020. India's GDP is estimated to have grown at a CAGR of 6.6% from ₹ 87 trillion to ₹ 146 trillion between Fiscal 2012 and Fiscal 2020.

Real GDP growth in India (new GDP series)



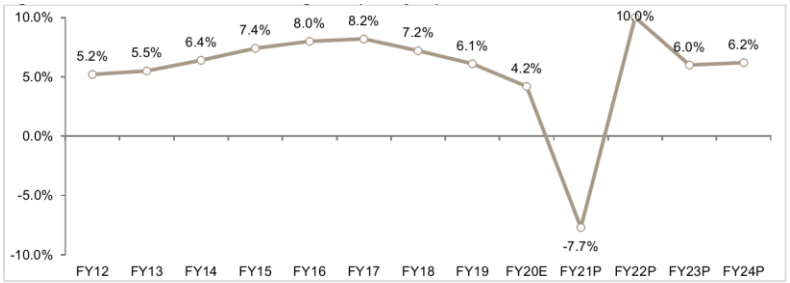
Note: PE- Provisional estimates

Source: Provisional Estimates of Annual National Income, 2019-20, Central Statistics Office (CSO), MoSPI, CRISIL Research

Outlook on India's GDP growth

Fiscal 2022 GDP growth to rebound to 10% due to weak base and rising-global-tide effect. For Fiscal 2022, GDP growth is expected to rise to 10.0%, supported by a very weak base and some benefit as the global economy fares better and provides a lift to India's exports. Services are expected to take longer to recover than manufacturing. Growth is expected to be at an average of approximately 6.2% annually between Fiscal 2023 and Fiscal 2025. India is expected to experience a growth faster than the global rate beyond Fiscal 2022.

Trend and outlook on real GDP growth (% on-year)



Note: E- Estimated; P- Projected by CRISIL Research

Source: Provisional Estimates of Annual National Income, 2019-20, CSO, MoSPI, CRISIL Research

Population growth of India

India's population is projected to reach 1.5 billion by 2030. According to the World Urbanization Prospects: The 2018 Revision by the United Nations, India and China, the top two countries in terms of population, accounted for approximately 37% of the world's population in 2015. Further, the report projects India's population to increase at a CAGR of 1% to reach 1.5 billion by 2030, making it the world's most populous country, exceeding China (with 1.4 billion people by 2030).

Overview of key recently announced fiscal measures to deal with COVID-19 pandemic

Fiscal stimulus 1.0. The Government announced measures worth ₹ 11 trillion in five tranches. This was in addition to the earlier announced measures worth ₹ 9.9 trillion (RBI liquidity support and others), bringing the total financial support amount to ₹ 20.9 trillion.

Fiscal stimulus 2.0. The Government measures targeted at increasing the demand in the economy. The stimulus also includes infrastructure spending of ₹ 250 billion and interest free loan to states which stands at ₹ 120 billion. The measures announced under this package amounted to ₹ 0.7 trillion.

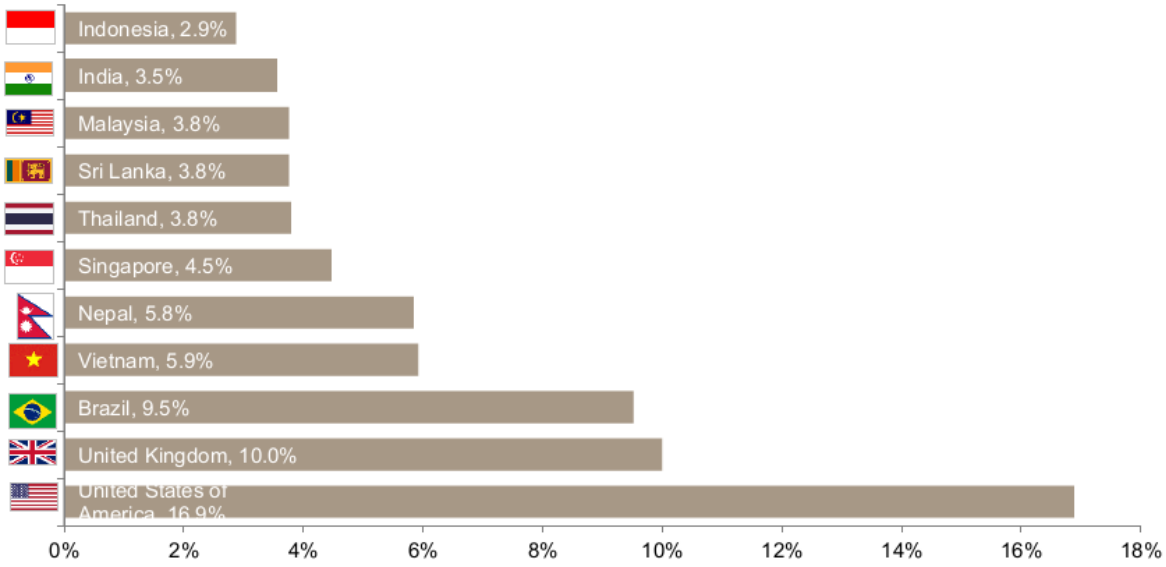
Fiscal stimulus 3.0. This ₹ 2.65 trillion stimulus package is aimed at job creation, access to credit and farm support with. The key highlight of this stimulus is to provide production linked incentives to 10 sectors which is estimated at around 1.45 trillion. This is proposed to be spent over the next five years to encourage domestic manufacturing across 10 sectors, namely, textiles, food, pharmaceuticals, consumer durables, auto, telecom, specialty steel, solar, electronic, and battery.

Trend in total expenditure on healthcare

Along with the structural demand existing in India and the potential opportunity it provides for growth, provision of healthcare in India still faces many challenges. The key challenges are inadequate health infrastructure, unequal quality of services provided based on affordability and healthcare financing.

India lags peers in healthcare expenditure

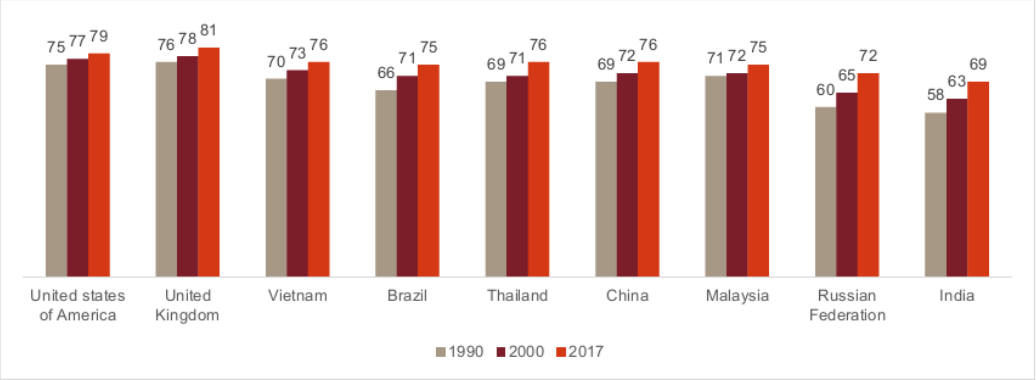
Total healthcare expenditure as % of GDP (2018)



Source: Global Health Expenditure Database- World Health Organisation, CRISIL Research

According to the Global Health Expenditure Database compiled by the World Health Organisation ("**WHO**"), India's current expenditure on healthcare was 3.5% of the GDP in 2018. India's real GDP in Fiscal 2019 was ₹ 139.8 trillion (constant Fiscal 2012 prices). Accordingly, India' current healthcare expenditure during Fiscal 2019 is estimated at approximately ₹ 4.9 trillion. India trails developed countries, such as, the United States and the United Kingdom, as well as developing countries, such as, Brazil, Nepal, Vietnam, Singapore, Sri Lanka, Malaysia and Thailand, in terms of healthcare spending as a percentage of GDP in 2018.

Life expectancy at birth (years)

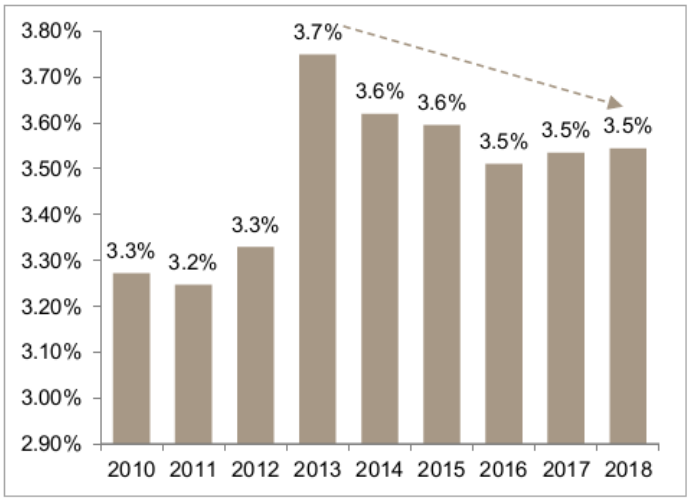


Source: WHO world health statistics 2020, CRISIL Research

India's life expectancy has gradually improved from 58 years in 1990 to 69 years in 2017 as per WHO estimates. However, India still lags behind most of the developed and even developing countries in this regard. This necessitates higher spend on healthcare segment.

India spends very low amounts on healthcare

Current healthcare expenditure (CHE) as % of GDP in India (2010-2018)



Per capita current expenditure on health in US$ (2018)

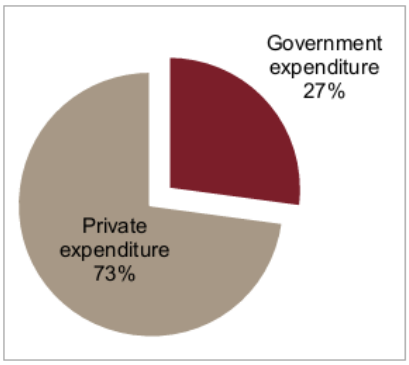
India's current healthcare expenditure decreased from 2013 to 2018. This decline is, however, more towards private expenditure compared with public expenditure. Low healthcare expenditure in India is primarily due to under-penetration of healthcare services and lower consumer spending on healthcare. Further, the share of public spending on healthcare services remains much lower than global peers. For example, India's per-capita total expenditure on healthcare (at an international dollar rate, adjusted for purchasing-power parity) was only $73 in 2018 compared to $ 10,624 for the US, $ 4,315 for the UK and $ 2,824 for Singapore.

Trend in government expenditure on healthcare

Public healthcare expenditure is low, with private sector accounting for majority share

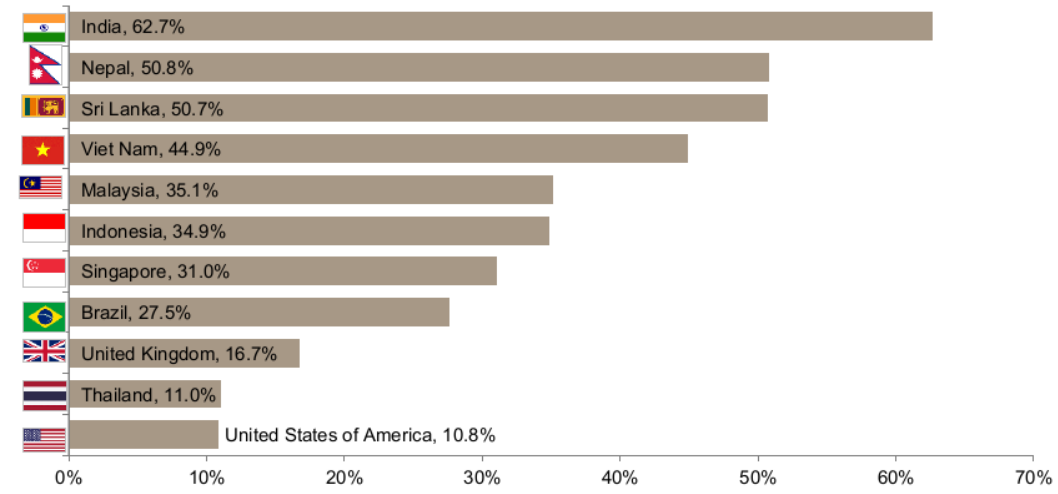
India's current healthcare expenditure ("**CHE**") is inclined more towards private expenditure compared with public expenditure. Government expenditure on healthcare has remained at 20% to 30% of the current healthcare expenditure from 2010 to 2018. The rest of the expenditure is private in nature (expenditure from resources with no government control such as voluntary health insurance, and the direct payments for health by corporations (profit, not-for-profit and non-government organisations) and households. However, the Government aims to increase public healthcare expenditure to 2.5% of GDP from the current 1.2%, according to the National Health Policy - 2017.

General expenditure on health as % of CHE (2018)



Source: Global Health Expenditure Database- World Health Organisation, CRISIL Research

Out-of-pocket (OOPS) as % of CHE (2018)



Source: Global Health Expenditure Database- World Health Organisation, CRISIL Research

In India, out-of-pocket ("**OOP**") expenditure on health accounted for approximately 63% of total health expenditure as of 2018 (the highest among all the other countries compared above). Insurance does not cover out-patient treatments (an insurance company started covering OPD treatments under health insurance only recently). Hence, OOP expenditure on out-patient treatments is greater than in-patient treatments. Approximately 25% of the rural population and 18% of the urban population are dependent on borrowings for funding their healthcare expenditure, while approximately 68% of the rural population and 75% of the urban population use their household savings on healthcare-related expenditure. Health expenditure contributes to approximately 3.6% and 2.9% of rural and urban poverty, respectively. Annually, an estimated 60 to 80 million people fall into poverty due to healthcare-related expenditure. However, with Pradhan Mantri Jan Arogya Yojana ("**PMJAY**"), the affordability aspect of healthcare expenditure is expected to be taken care of to some degree, especially for the deprived population. Further, approximately 27% of the current healthcare expenditure in India is accounted for by domestic private expenditure on medical goods (including medicines).

Key measures announced by government for healthcare sector in response to COVID-19

Healthcare-related fiscal measures

India's COVID-19 emergency response and health system preparedness package of ₹ 150 billion was announced in three phases until March 2024 to address immediate needs on account of the COVID-19 pandemic. A separate health-worker life insurance cover of ₹ 5 million under Pradhan Mantri Garib Kalyan Yojana ("**PMGKY**") was also announced to offer support to families of frontline health workers. In addition to emergency funding for the pandemic response, the economic package includes long-term measures to improve healthcare infrastructure. The Government's emphasis on healthcare offers substantial opportunities for private investment to create affordable healthcare facilities and services. To increase private investment in social infrastructure, the Government has announced an outlay of ₹ 81 billion with viability-gap funding ("**VGF**") limits enhanced from 20% to 30% of project cost for both the Central and state governments to attract private investments in the social infrastructure space.

Impact of Union Budget 2021/2022 on healthcare and wellbeing: Positive

Key budget proposals

- Budgetary allocation towards health and well-being increased to ₹ 2.23 trillion in Fiscal 2022.
- Provision of ₹ 350 billion for COVID-19 vaccines in Fiscal 2022.
- Government healthcare expenditure will now cover preventive and curative health and well-being. Out of this, healthcare-related measures will account for 71% of the budgeted expenditure of ₹ 94.4 billion for Fiscal 2021. A large part of the remaining spending on well-being will be contributed by the Jal Shakti Abhiyan.
- Revised core healthcare expenditure for Fiscal 2021 is 24% higher than Fiscal 2021 (budgetary estimate) because of ₹ 13.9 billion allocation towards a one-time COVID-19 Emergency Response and Health System Preparedness Package. The budgetary estimate for Fiscal 2022 is 47% higher than revised estimate for Fiscal 2021 due to ₹ 350 billion allocation for COVID-19 vaccination and financial grant of ₹ 132 billion to states for health-related expenditure.
- On the well-being front, under the Ministry of Jal Shakti, allocation for drinking water and sanitation is up 3.5 times compared with the revised estimate of Fiscal 2021. Provision of potable drinking water via functional tap connections to rural households will impact health and hygiene positively.

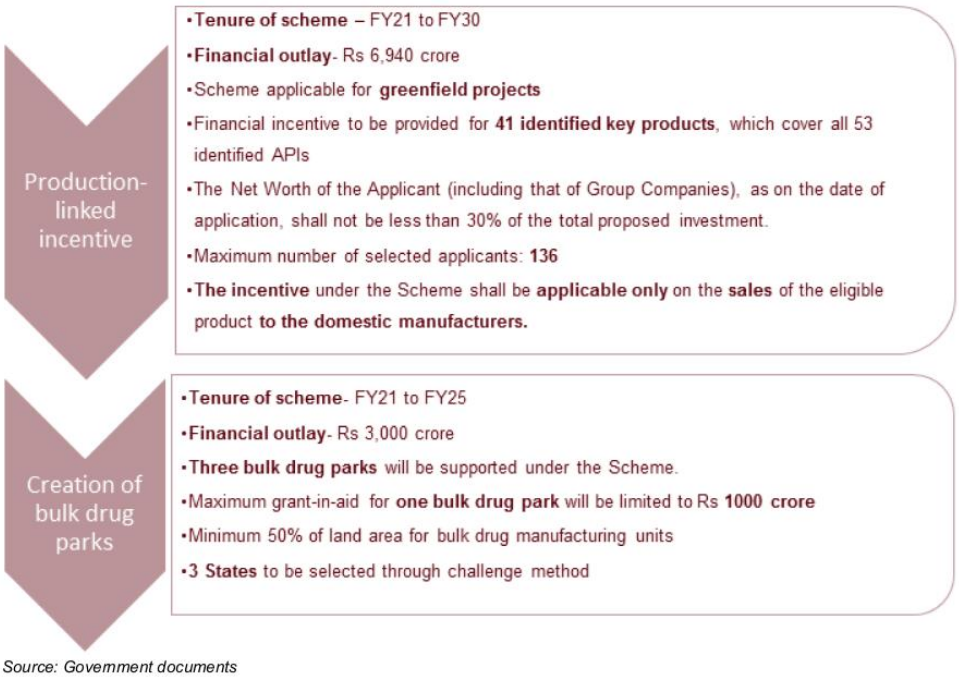
Key initiatives by government of India for healthcare sector

National digital health mission

The National Digital Health Mission ("**NDHM**") aims to develop the system necessary to support the integrated digital health infrastructure of India. NDHM is envisaged to create an online platform using data, information and infrastructure services, while also ensuring the security, confidentiality and privacy of health-related personal information. The implementation of NDHM is expected to significantly improve the efficiency, effectiveness, and transparency of health service delivery overall.

Production Linked Incentives ("PLI") for API

The Union Cabinet, on March 21, 2020, approved the below schemes for the development of the Indian bulk drug sector.

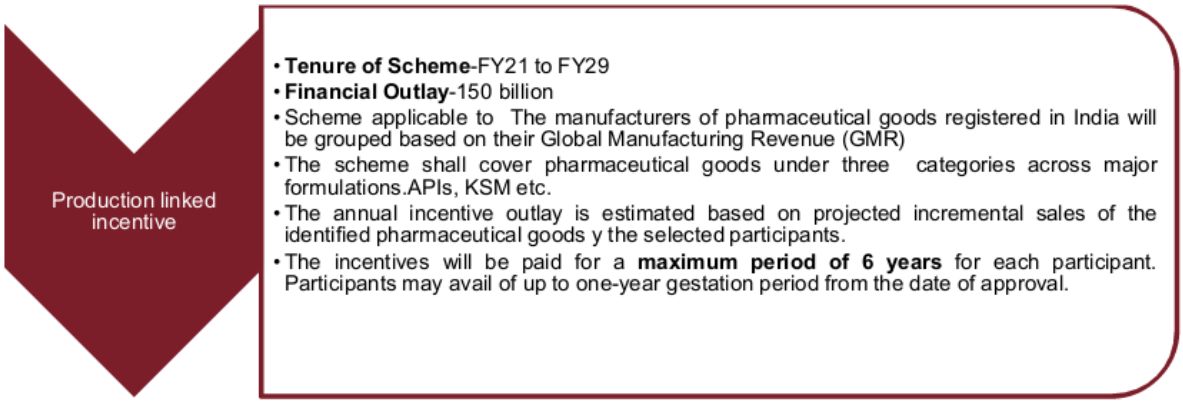


Source: Government documents

With the newly announced schemes, the Indian government is looking at creating common infrastructure facilities and reduce dependence on some critical drugs. In addition, the 'China plus one' strategy, resulting in a number of multinationals undertaking proactive steps to reduce dependence on China for their manufacturing operations and looking at India as an alternative options, provides the opportunity for manufacturers in India, including domestic formulations focused CDMOs, to capture a larger market share. Accordingly, the Government of India has approved the PLI scheme for pharmaceuticals for Fiscal 2021 to Fiscal 2029, which is expected to promote innovation for development of complex and high-tech products, including products of emerging therapies as well as improve accessibility and affordability of medical products. The PLI scheme's objective is to enhance India's manufacturing capabilities by increasing investment and production and contributing to product diversification to high value goods in the pharmaceutical sector. The Government expects the PLI Scheme to bring in investment of approximately ₹ 150 billion in the pharmaceutical sector. The PLI scheme also specifically covers complex generic drugs and patented drugs or drugs nearing patent expiry.

Production Linked Incentive-2

The Government of India in its notification in March 2021 has extended the production linked incentive scheme to formulations as well as API, key starting materials covered under previous notification of production linked incentive scheme.



Source: CRISIL Research

The objective of the scheme is to enhance India's manufacturing capabilities by increasing investment and production in the sector and contributing to product diversification to high value goods in the pharmaceutical sector. One of the further objectives of the scheme is to create leading global players out of India who have the potential to grow in size and scale using cutting edge technology and thereby penetrate the global value chains.

However, this scheme may not quite offset the cost difference with China in the medium term. To be a material offset, India will need to establish large-scale production to achieve economies of scale and for sharing of common facilities (especially waste treatment plants). Whereas the PLI scheme incentivizes revenue from a six-year perspective and the set-up of plants is likely to take next two to three years.

ASSESSMENT OF GLOBAL PHARMACEUTICALS MARKET

Overview of global pharmaceuticals market

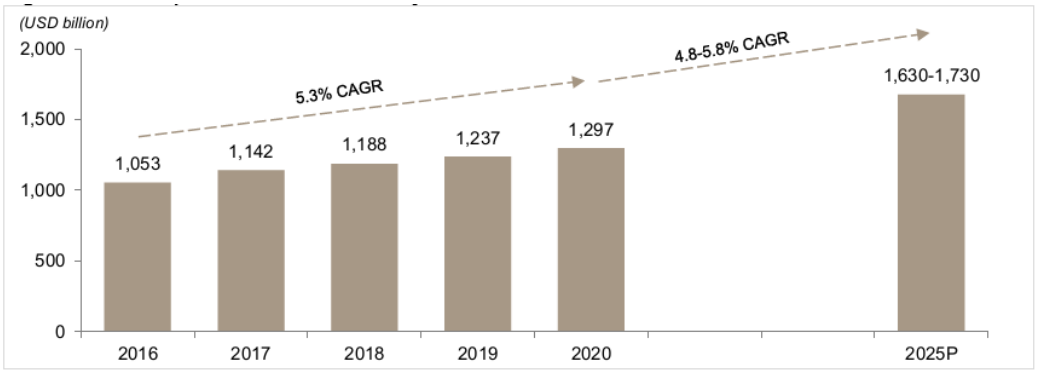
The global pharmaceutical industry is characterized by the concentration of consumption, production, and innovation in a relatively small number of high-income countries which continue to account for a major portion of this market in value terms on account of higher priced drugs and newer products. However, over the recent few years, production as well as consumption has started to shift to middle-income countries, such as, India and China; these "pharmerging" markets also account for a higher share in volume terms and have outpaced growth in high-income markets. These double-digit-growth countries are now the strategic focus points for many multinational pharmaceutical companies. Though, for pharmaceutical research and development ("**R&D**"), high-income countries continue to dominate expenditure in both the public and private sectors.

The market experienced a relatively slower growth in 2018 to 2019 on account of pricing pressure, however, it stabilised coming in to 2020. Rising drug R&D activities for drug manufacturing, increasing prevalence of chronic diseases, rising importance of generics, and the increasing uptake of biopharmaceuticals will continue to be some of the key drivers for the global pharmaceuticals industry. In addition, strategic initiatives, such as, new drug launches and biological products, acquisitions, collaborations, and regional expansion are also likely to fuel the market growth in the near future. However, the unfavourable drug price control policies across various markets and high manufacturing costs are expected to be some of the growth limiting factors.

Global pharmaceutical market to grow at approximately 5% CAGR over the next five years

Global pharmaceutical market has grown at a CAGR of approximately 5.3% from approximately US$ 1,050 billion in 2016 to approximately US$ 1,300 billion in 2020. It is expected to sustain this growth over the next five years to reach US$ 1,630 billion to US$ 1,730 billion in 2025.

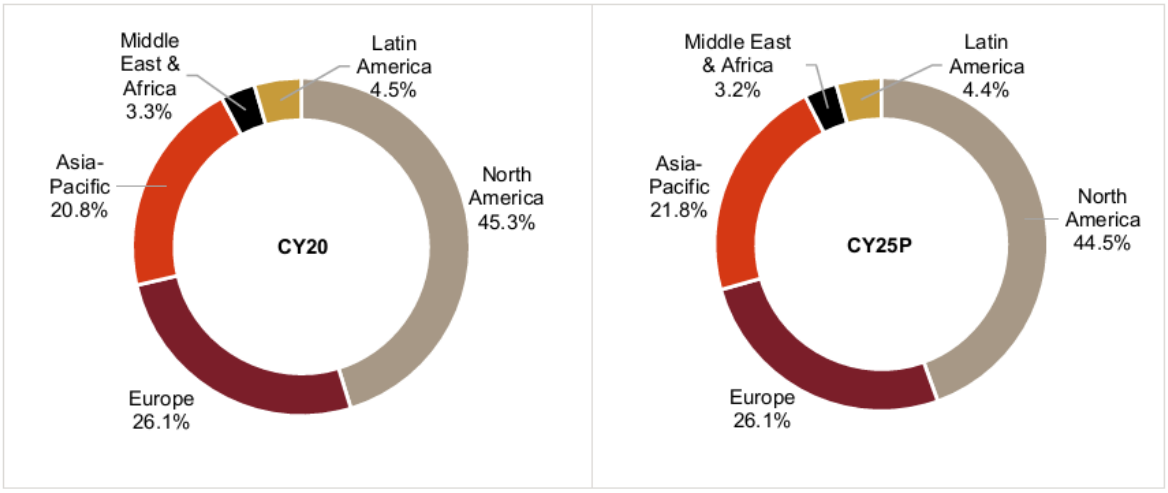
Global pharmaceutical market by value



P: Projected
Source: Mordor Intelligence, CRISIL Research

New product launches, widespread population aging and sedentary lifestyles leading to increased chronic disease prevalence, technological advances, new methods for drug discovery, and an increase in pharmaceutical drug usage have been some of the key growth drivers for the industry. Globally, the pharmaceutical companies are offering drugs for customized individual treatment for better treatment against different diseases, and precision medicine which aims to provide medical care according to the patient's individual characteristics, needs, preferences, and genetic makeup.

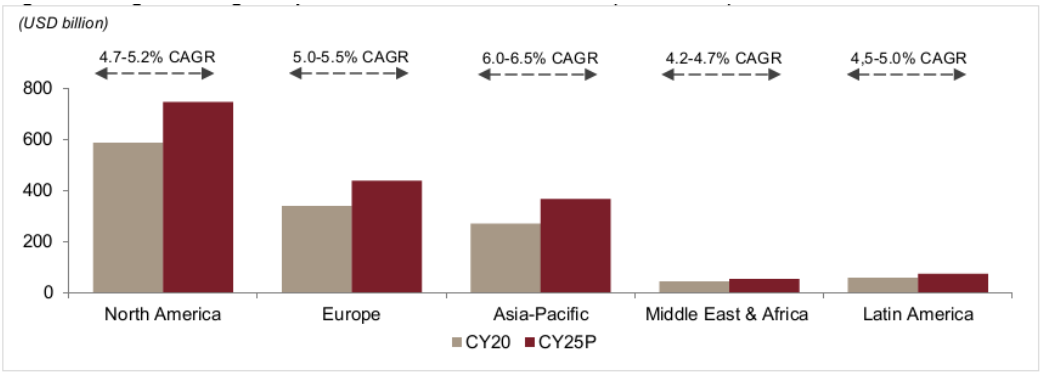
Region-wise segmentation of global pharmaceutical market (consumption)



P: Projected
Source: Mordor Intelligence, CRISIL Research

Going ahead, North America will continue to maintain its pole position in terms of market share in value terms although at a slightly reduced share compared to 2020 levels; its share is expected to decline marginally from approximately 45.3% in 2020 to approximately 44.5% by 2025. North America is expected to lose this share largely to the Asia-Pacific region which is expected to remain the fastest growing region.

Region-wise global pharmaceuticals market outlook (US$ billion)



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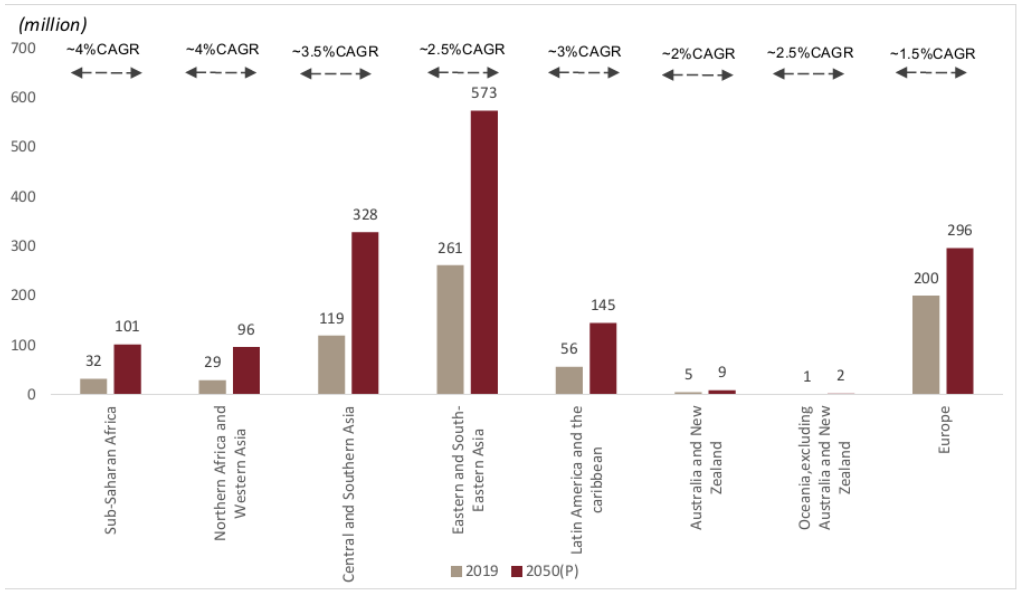
Source: Mordor Intelligence, CRISIL Research

Key growth drivers for global pharmaceutical industry

Rise in ageing population

According to the data from 'World Population Prospects: The 2019 Revision' published by the United Nations, the number of older people, aged 65 years or above, is expected to more than double by 2050, globally, rising from 703 million in 2019 to 1.5 billion in 2050. Globally, the population group aged 65 years or over is registering faster growth rates than all younger age groups. Healthcare needs of the aging group which mainly consists of chronic diseases is expected to drive growth for the global pharmaceutical industry.

Number of persons aged 65 years or over by geographic region, 2019 and 2050



P: Projected
Source: UN population ageing 2019, CRISIL Research

Incidence of chronic diseases

Incidence and prevalence of chronic diseases are increasing rapidly internationally. Rising incidences of diseases, such as cancer, cardiovascular diseases, obesity, and diabetes, are primarily observed and have a significant impact on the economy of the country, which is likely to drive the demand for pharmaceuticals. According to the Organization for Economic Co-operation and Development's ("**OECD's**") Health at a Glance report (2019 edition), almost one third of people aged 15 years and over reported living with two or more chronic conditions in the 27 OECD countries in which the survey was conducted. Cardiovascular diseases are found to be most prevalent across the world, and are the leading causes of death. As per the 2020 updates of the WHO, ischemic heart disease is responsible for 16% of the world's total deaths in the year 2019. Since 2000, the largest increase in deaths has been for ischemic heart disease, rising by more than 2 million to 8.9 million deaths in 2019. Growing cases of chronic diseases are expected to further increase the demand for drugs and accelerate the development of pharmaceuticals, globally.

Better access to medicine in emerging markets

As the world's population crossed 7.6 billion in 2020, per capita usage of medicine per person per day is also estimated to have increased following similar trend. Majority of the increased usage is driven by emerging pharmaceutical markets, such as, China, India, Brazil and Indonesia where substantial increases have been made in average medicine volume usage. India's level of medicine usage is a reflection of both a very basic healthcare infrastructure and the ease of access for medicines where even the most complex medicines can be readily available. The gap in average medicine usage between developed markets and emerging markets is closing, owing to reasons like increased per capita income and improvement in healthcare infrastructure. The use of medicines requires both the healthcare infrastructure to diagnose diseases and administer drugs appropriately, as well as the financial wherewithal to pay for them. While costs are often substantially lower for medicines in emerging markets, so is the ability to pay. The rise of government safety nets and private insurance is one key factor that will increase volume usage across emerging markets. The extent and pace of investments, both public and private, will be a key determinant of continued increases in usage.

Strong development of generics market

Going forward, demand for pharmaceutical products in developed markets is expected to be driven by factors such as, an ageing population and growing incidences of chronic diseases. However, austerity measures adopted in Europe will continue to drive demand for generic drugs and pricing realisations may not be as favourable as in the past. On the other hand, healthcare reforms in the US are driving higher insurance coverage and greater usage of generic medicines. The decline in uninsured population in the United States will continue to drive demand for generic drugs and aiding the growth of Indian manufacturers.

Overview of global pharmaceuticals outsourcing industry

Overview of outsourcing in global pharma market

Contract Development and Manufacturing Organisation ("**CDMO**") has emerged as a viable model for the global pharmaceutical industry. With increasing globalisation and focus of large players on cutting costs and optimizing operations, CDMOs have seen significant acceptance in the industry worldwide over the last 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 profitability in contracting with contract manufacturing and outsourcing for formulation manufacturing. Pharmaceutical companies are gradually outsourcing R&D activities to academic and private contract research organizations ("**CROs**") to reduce drug development timelines and costs.

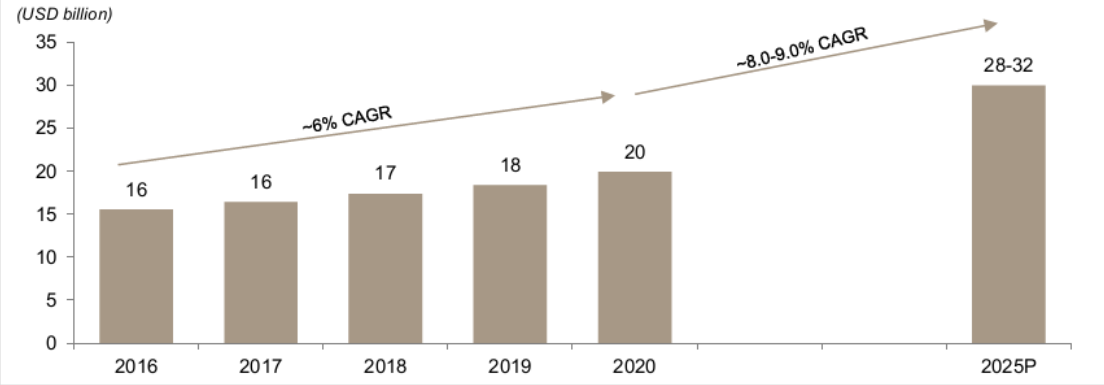
Pharmaceutical companies are partnering with manufacturing facilities in the emerging countries, due to the availability of skilled, low-cost manpower and quality data. Cost-cutting, chasing innovation, gaining access to specialized knowledge and technology, and increasing speed and agility are some of the significant factors encouraging the pharma companies to expand the level of formulation development outsourcing. Moreover, with increasing outsourcing activities, contract manufacturing companies are likely to gain advantages compared to in-house manufacturing facilities.

Global formulations outsourcing market to grow at approximately 8.5% CAGR over the next five years

Global formulations outsourcing market has grown at a higher pace compared to overall global pharmaceutical industry during the last five years from 2016 to 2020. In value terms, global formulations outsourcing market is estimated at approximately US$ 20 billion in 2020; a growth of approximately 6.4% CAGR over approximately US$ 16 billion in 2016. The global formulations outsourcing market is expected to reach US$ 28 to 32 billion by 2025 owing to robust growth in the outsourcing space aided by many large pharma players outsourcing their research and manufacturing to specialised contract manufacturing players.

Additionally, in formulations segment, companies are increasingly outsourcing their R&D activities to contract development and manufacturing organizations, with some estimates indicating that globally more than one-third of the R&D is outsourced. An estimated 75 to 80% of R&D spending in the biopharmaceutical industry can be outsourced, which can aid the growth of overall global formulations outsourcing market.

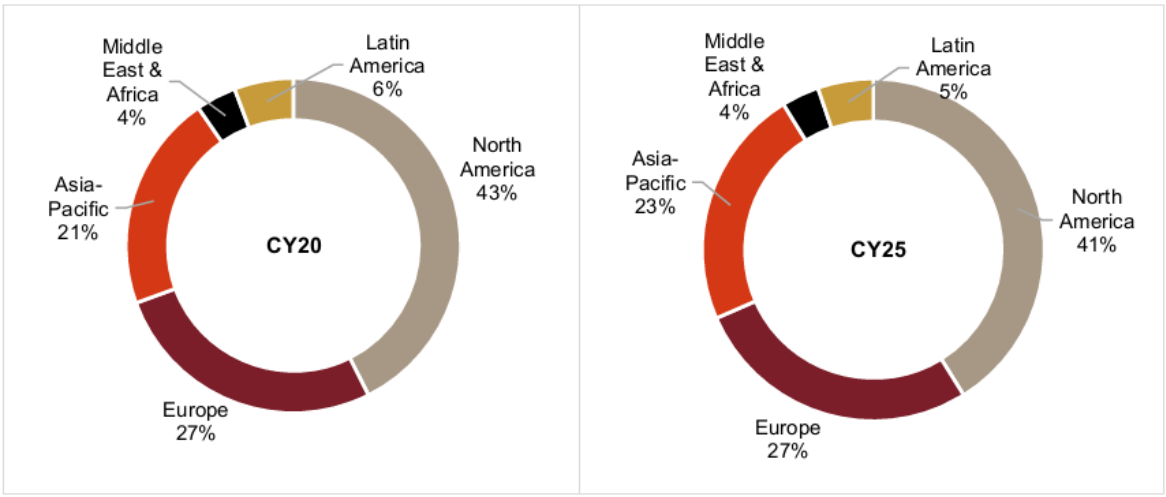
Review and outlook on global formulations outsourcing market



Note: P-Projected
Source: Mordor Intelligence, CRISIL Research

As of 2020, North America region has the highest share among the region considered. North America has been the dominant market in the global formulations outsourcing market and constitutes about 43% of the overall revenue of the global formulations outsourcing market. North America is followed by Europe with 27% of the total global formulations outsourcing revenue. Asia pacific which is one of the growing market in the global market constituted 21% of the total global formulations outsourcing revenue. Smaller markets of South America and Middle East and Africa Constituted around 6% and 4% of the global formulations outsourcing respectively.

Region-wise segmentation of global formulations outsourcing market



P: Projected

Source: Mordor Intelligence, CRISIL Research

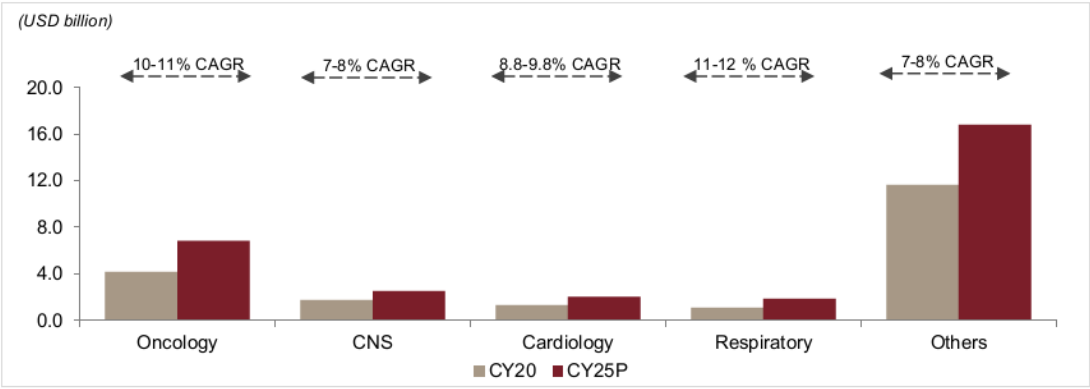
North America leads the formulation outsourcing market with approximately 43% of the total revenue

North America, which is one of the leading generics market in the world leads the formulation outsourcing market (at approximately US$ 8.5 billion in 2020) as well. North America is followed by Europe and Asia-Pacific with market sizes of approximately US$ 6 billion and approximately US$ 5 billion, respectively. Growth in the North American market particularly in the United States is primarily due to higher spends on R&D and large pharma companies partnering with specialised contract manufacturers.

Oncology is the largest therapy segment under global formulations outsourcing

Oncology is the largest therapy under the global formulation outsourcing segment. As the prevalence of cancer has increased across the globe, share of oncology has grown to approximately US$ 4 billion in 2020 increasing from approximately US$ 3 billion in 2016. Oncology is followed by central nervous system related therapy and cardiology at approximately US$ 2 billion and US$ 1 billion, respectively.

Formulation outsourcing Therapy wise sales break up



P: Projected

Source: Mordor Intelligence, CRISIL Research

Going ahead, oncology and respiratory segments are expected to record stronger growth over the next five years from 2021 to 2025 as compared to other therapeutic segments. Therefore, by 2025, oncology is expected to continue to remain the largest therapeutic segment in the global formulations outsourcing market. Cardiology and respiratory segments are also expected to see their share in the pie grow during the corresponding period. In terms of dosages, over the next five years from 2021 to 2025, outsourcing of development and manufacturing of solid dosages and liquids is estimated to have major share although injectable are expected to grow at faster rate compared to past few years.

Key growth drivers for global formulation outsourcing industry

Growing demand for generics and biologics

With the growing demand for generic medicines and biologics, the capital-intensive nature of the business, and the complex manufacturing requirements, many pharmaceutical companies have identified the potential profitability in contracting with a

contract manufacturing outsourcing organizations for formulation manufacturing. Pharmaceutical companies are outsourcing R&D activities to academic and private CROs to reduce drug development timelines and costs.

Flexibility and reduced costs in the business models of large pharma companies

Pharmaceutical companies are partnering with manufacturing facilities in the emerging countries, due to the availability of skilled, low-cost manpower and quality data. Cost-cutting, chasing innovation, gaining access to specialized knowledge and technology, and increasing speed and agility are some of the significant factors encouraging the pharma companies to expand the level of formulation development outsourcing.

Rise in amount of drug approvals

The patent protection expiration of effective drugs also aids formulation development outsourcing market's growth. A rise in the drug approvals by the regulatory bodies is expected to fuel the pharmaceutical formulation manufacturing procedures. For instance, the US FDA approved 59 drugs in 2018, 48 drugs in 2019, and 53 in the year 2020. This will accelerate the formulation development outsourcing market's demand as outsourcing allows the pharmaceutical clients to expand the technical resources without increased overhead. Further, a large number of ongoing clinical trials has created numerous growth opportunities in the market for pharmaceutical manufacturing. For instance, according to the National Clinical Trials (NCT) Registry, as of March 2021, there were more than 369,687 ongoing clinical trials worldwide, across different phases of development, for the treatment of several disorders.

End to end service and technical specialties of contract manufacturers

Contract research and manufacturing companies are investing in personnel, infrastructure, and technology to acquire a significant revenue share of the healthcare outsourcing market. An increasing number of end-to-end service providers to meet the rising demand for low-cost drug development and manufacturing is anticipated to propel the market growth. Moreover, novel drug delivery mechanisms and new product launches are anticipated to drive the formulation development outsourcing demand.

Increase in off-patent products to aid outsourcing segment

The patent protection expiration of effective drugs is also one of the factors driving the formulation development outsourcing market's growth. The patent cliff will result in cheaper generic versions in the market, which will increase the demand for outsourcing.

Reasons for India emerging as the key player in CDMO segment

India is becoming a preferred destination for outsourcing the pharmaceutical activities across pharma value chain. As big pharma companies continue their focus on reducing the costs particularly fixed costs associated with the development and manufacturing of the drugs. CDMOs are being viewed as the capable and value added service provider with the essential technical expertise. There are some key reasons which are driving this decision. Some of the factors are discussed below.

Lower Costs

The largest advantage of outsourcing to India is the significant amount of savings in the costs. The Indian CDMO players can provide comparable quality in development and manufacturing with the peers in other parts of the world. The capital costs associated with the setting up of manufacturing plant are lower in India. Also India has specific clusters of pharmaceutical manufacturing facilities which helps lowering the capital costs further as the supply chain are well connected. The human resources costs are also lower compared to western counterparts in the pharmaceutical industry. The human resources costs for skilled as well as unskilled professionals is lower in India.

Infrastructure and technical expertise for manufacturing

Indian CDMO players have built infrastructure that caters to requirement of global pharmaceutical companies. This infrastructure mainly includes manufacturing plants. Many of the manufacturing plants established in Indian are GMP compliant as this is one of the basic compliance required for manufacturing of pharmaceutical products. India has one of the largest talent pool in terms of pursuing higher education. According to all India Survey for higher Education ("**AISHE**") there are 993 Universities, 39,931 Colleges and 10,725 Stand Alone Institutions listed on AISHE. India has witnessed a rise in the number of educational institutions that cater to pharmaceutical and biopharmaceutical sciences and industries. Quality education is giving rise to availability of local talent in the scientific fields. Ability provide the local talent with expertise in scientific field like healthcare and pharmaceuticals is making India an attractive destination for pharmaceutical development and manufacturing activities.

Indian has proven track record in outsourcing

Indian has proved track record of outsourcing in services, such as, information technology, knowledge process outsourcing, apart from its strong foothold in the pharmaceutical exports. In the pharmaceutical industry, India is one of the largest exporters of over-the-counter and prescription drugs to the United States. India has the largest manufacturing base outside of the United States for products sold in the United States market. India accounted for 12% of all drug manufacturing sites for the United

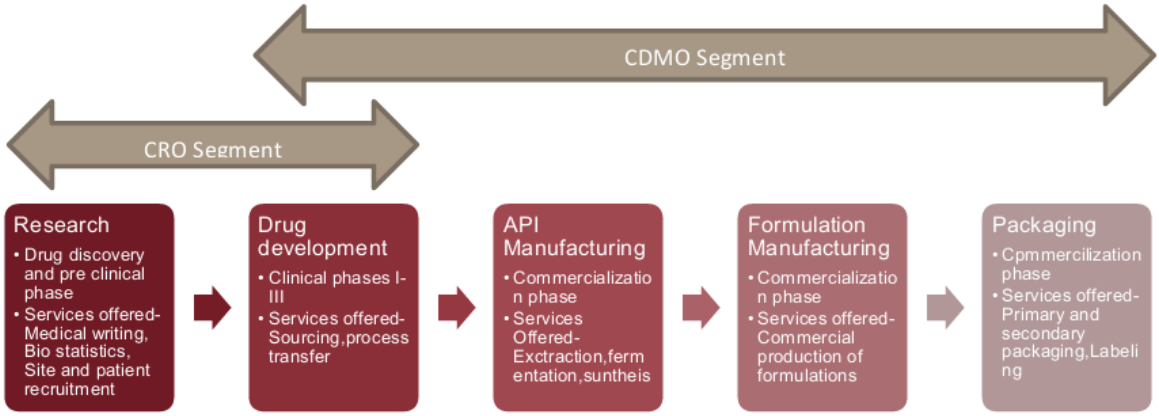
States market for Fiscal 2019 (United States fiscal year September to October). Indian CDMO players have significant experience in development and manufacturing of pharmaceutical products this has enabled them to build good business practices and quality manufacturing processes. This experience has aided the India's position as the leading manufacturer of Pharmaceutical products.

ASSESSMENT OF INDIAN CDMO MARKET

Overview of Indian domestic formulations CDMO industry

Contract manufacturing refers to the outsourcing of production activities to third-party vendors. Contract manufacturing has picked up in India because of huge availability of skilled personnel, lower production costs and large number of WHO-GMP certified plants. Indian CDMO space has seen traction in the recent times with big pharmaceutical companies preferring to outsource R&D as well as manufacturing activities. Many of the pharmaceutical players in order to move to asset light model have been outsourcing these activities. Most CDMOs cater to the domestic industry and exports to semi-regulated markets. Contract manufacturing is characterized by high fragmentation and competition, with large number of organized and unorganized players. The players are usually backed by promoters with significant experience in the pharmaceuticals industry. Going ahead, new product launches and volume growth in the chronic segment would support growth for the CMOs in the medium term.

Role of CDMO in pharma value chain

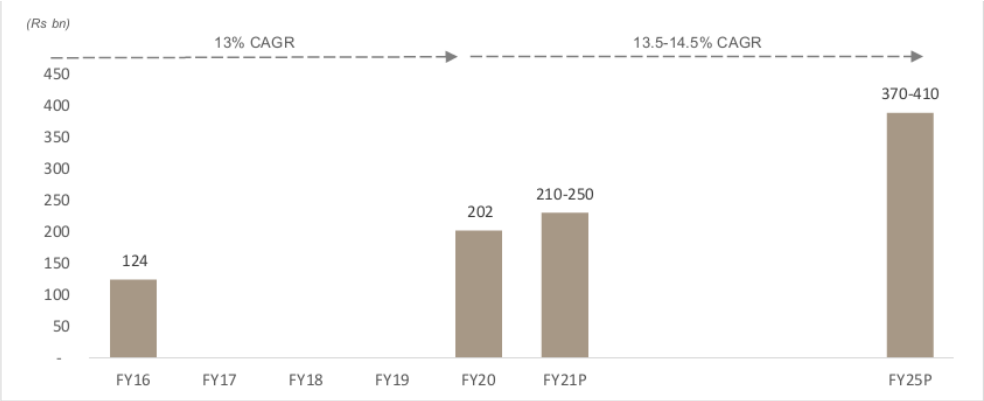


Domestic formulations CDMO segment to sustain its strong growth trajectory over the next five years

Pharmaceutical companies are increasingly outsourcing development and manufacturing of new products, and as a result the domestic formulations CDMO market has grown at a higher rate of approximately 13% compared to the growth rate of approximately 8.6% of the domestic formulations market (in terms of consumption) in the past five years. It is expected to continue this trend over the next five years from Fiscal 2020 to Fiscal 2025 as well. Domestic formulations CDMO is projected to grow at approximately 14% CAGR while domestic formulations segment is expected to grow at approximately 11% during the corresponding period. The CDMO segment growth is expected to be driven by strong demand from outsourcing by big pharma companies both Indian as well as Multinational Companies. The growth in the market is expected to be driven by strong demand in generic formulations segment.

Domestic formulations CDMO value stood at approximately ₹ 202 billion in Fiscal 2020. Indian formulation CDMO industry is expected to reach ₹ 370 to 410 billion by the year 2025. The key drivers for growth in the CDMO industry include growth of asset light pharmaceutical companies, increasing cost awareness and manufacturing efficiency, growing focus on product/ packaging innovation, CDMO's enabling customer's end market aspirations through combinations products and new dosages, increasing generics and institutionalization of pharmaceutical industry, end to end services, time to market, maintaining margins, regulatory changes and increasing economies of scale shifting CDMO identity from 'supplier' to 'partner' status.

Review and outlook on domestic formulations CDMO market



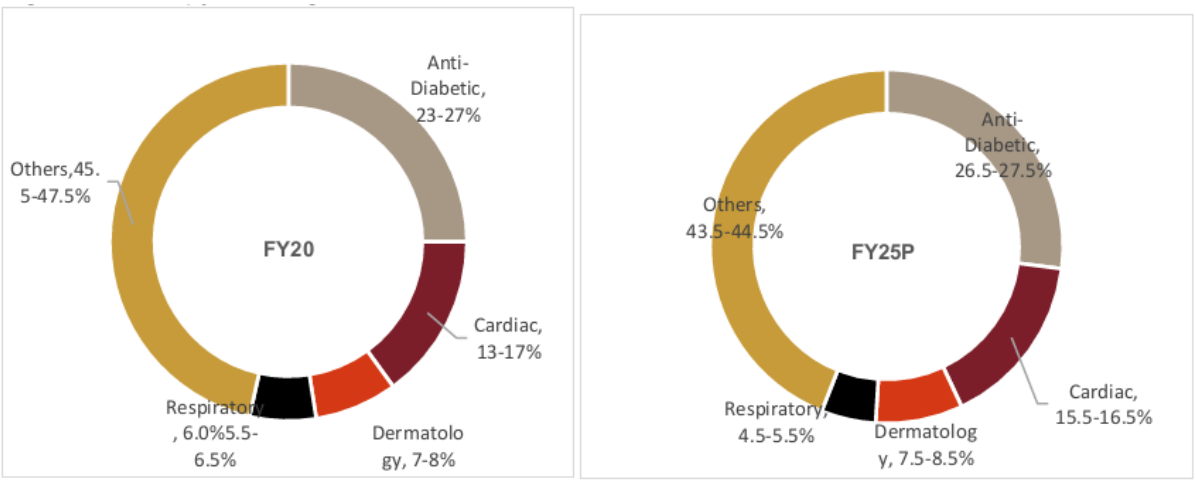
Source: CRISIL Research

In Fiscal 2020, 31% to 33% of the total domestic formulations market was catered by CDMO players, which is anticipated to grow to ₹ 370 billion to ₹ 410 billion by value by Fiscal 2025. The trend is unequivocal evidence of the pharmaceutical industry leaning towards CDMO players. Further, a large number of customers require deeper product solutions around better products and patient compliance.

Chronic therapies to continue to account for a higher share of the domestic formulations CDMO market

Anti-diabetic and cardiac therapies account for a major share of the domestic formulations CDMO industry. As the prevalence of chronic diseases have grown in the country, chronic diseases such as diabetes and cardiac disorders are more prevalent in Indian population. Anti-diabetics is estimated to have constituted approximately 25% share of the domestic formulations CDMO market in Fiscal 2020 and is expected to account for approximately 27% share by Fiscal 2025. Similarly, cardiac which is estimated to have constituted approximately 15% of the market share in Fiscal 2020 is expected to grow to approximately 16% by Fiscal 2025.

Therapy-wise segmentation of domestic formulations CDMO market

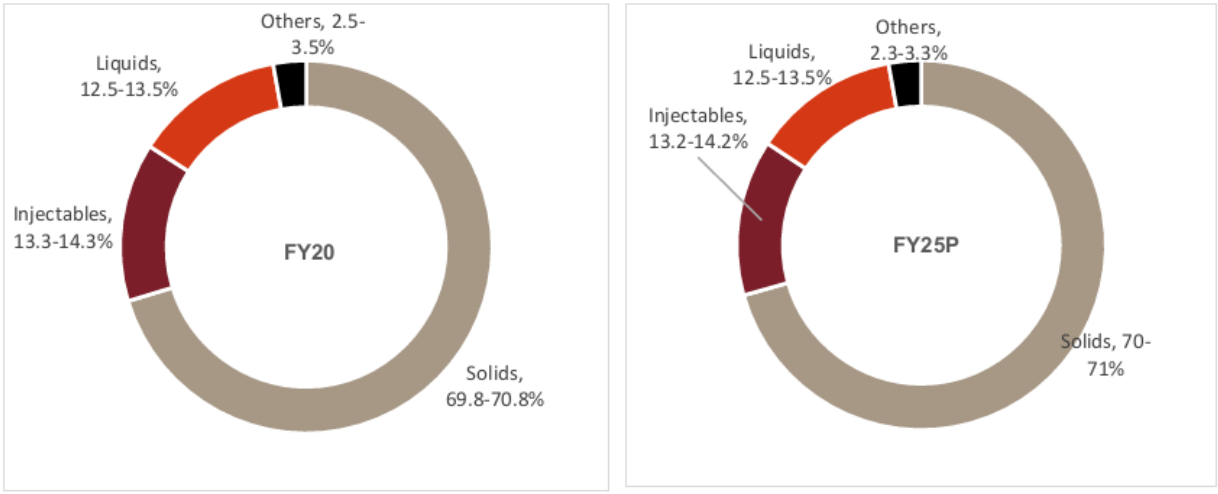


Source:CRISIL Research

Oral solids expected to continue to account for more than one-third share of the domestic formulations CDMO market

In dosage terms, oral solids have dominated the domestic formulations CDMO industry and constituted approximately 70% share in Fiscal 2020; it is expected to maintain this share over the next five years leading up to Fiscal 2025. Injectables segment which constituted approximately 14% of the domestic formulations market is also expected to maintain strong growth over the next five years and maintain it share during the corresponding period.

Dosage wise segmentation of domestic formulations CDMO market



Source:CRISIL Research

Review of key growth drivers for the CDMO industry

Rising trend of outsourcing among the Indian pharmaceutical players

Over the past few years, there has been an increasing trend across pharmaceutical companies to outsource discovery, development and manufacturing of new products, thus saving capital costs and gaining access to capacity and specialty capabilities which are not routinely available in-house. In this context, CDMOs have been providing niche services such as product development and characterization, manufacturing of clinical and commercial APIs and drug products, along with a range of ancillary services including but not limited to clinical, logistical, distribution and regulatory support.

Large pharmaceutical enterprises are developing alternate sources for supplying APIs as well as manufacturing activities for their critical products to ensure minimum supply disruptions. These factors are expected to provide strong growth for CDMOs in the coming years on the back of continued growth in the pharmaceutical industry and companies striving to reduce their fixed costs through outsourcing their manufacturing activities. On their part, CDMOs are expected to make additional investments to boost their capacities and capabilities in anticipation of future business which is expected to see traction in the Indian CDMO space in the coming few years.

Healthy demand-supply gap to aid IPM and in turn boost contract manufacturing segment business

Demand grew at 7% to 8% CAGR over the past three years as the growth of formulations sector aided the growth of the sector. Demand is likely to be healthy for CMOs in the medium term as new product launches and volume growth in the chronic segment support growth of the domestic formulations industry. Semi-regulated markets are chiefly driven by the use of low-cost generic medicines. Further, these markets are characterized by increasing healthcare awareness, rising consumer incomes and a large base of patients in the acute and chronic disease segments, backed by a huge population. The low-cost base, well-developed API industry (and process chemistry skills) and similarity in disease profiles (between India and these markets) will improve the penetration of Indian drugs in these markets. As a result of this the Contract Manufacturing Organizations in India are expected to witness a strong upsurge in demand for exports to these markets. Also, established relationship with customers and long-term contracts with them ensures demand stability for the CMOs. Supply is not a constraint for the domestic industry, as setting-up a formulations plant is not capital-intensive and the gestation period is also low. As India boasts of a well-developed domestic industry with a large number of players, imports comprise only around 7 per cent of total formulation sales.

End to end service makes CDMOs key partner in pharmaceutical value chain

Typically Indian pharmaceutical companies as well as multinational companies that engage in outsourcing for discovery and development are looking for a long-term engagement where a CDMO partner can support them through the entire process. In Indian pharmaceutical industry, innovation and speed-to-market are becoming more critical than ever. Pharmaceutical companies are consolidating their supplier base and prefer working with CDMOs that offer services across drug substance and drug product as well as development and manufacturing. In response to this market need. CDMOs continue to expand their capabilities across all phases of development and commercialization to eliminate the need for technology transfer and to serve customers end-to-end. One of the key growth drivers for companies in the CDMO space is their ability to offer reliable integrated services across the drug lifecycle.

Consolidation in Indian pharmaceutical industry

Many pharmaceutical companies are seeking advanced supply chain opportunities in order to optimize the development of their molecule. This has led to a lot of firms establishing a partnership with a CDMO as opposed to investing internally on infrastructure. Industry consolidation has been partly driven by the desire to diversify capabilities, so that CDMOs can

effectively provide customers with comprehensive end-to-end drug development and manufacturing services, whilst also reducing operational costs. This is because drug developers are keen to progress their drug product to market as quickly as possible, with minimal supply chain complexity. Additionally, changing service provider's mid-development incurs heavy expenditure and so full-service providers are often seen as way to decrease overall costs for drug developers.

Rising demand for generics

As the patents for innovative drugs continue to expire, many pharma companies are actively exploring the generic market and breaking the monopoly of multinational pharmaceutical companies in Europe and America. Outsourcing providers have accumulated a lot of process R&D and large-scale production experience in the field of manufacturing. Combined with versatile production facilities, pharmaceutical companies are expected to partner with professional CMO / CDMO companies to break through pharmaceutical process barriers. Patents in relation to around 130 to 140 key products are likely to expire by Fiscal 2026 and are expected to offer a significant growth opportunity to CDMO in India

Overview of recent trends in Indian CDMO industry

Potential consolidation opportunity in fragmented CDMO space

The pharmaceutical CDMO industry is still highly fragmented, one reason for the fragmentation is the fact that many players are privately held or are part of private equity firms' portfolios. CDMO space is poised for consolidation in the coming few years. Many pharmaceutical companies are seeking advanced supply chain opportunities in order to optimize the development of their molecule. With evolving technology and rising number of partnerships happening between pharmaceutical players and CDMO players, it presents a key challenge to the CDMO players to expand their operations and increase the portfolio of services offered. For CDMO players expanding through inorganic route is beneficial in some way as compared to building their own capacities as it increases the customer base and the projects for the company while also giving an opportunity to cross sell. Going ahead consolidation in the CDMO fragmented space is expected to gain traction because of the need to provide better and wider portfolio of services. Some of the Indian Pharma and CDMO players have consolidated I recent times and are looking to strengthen their portfolio by acquiring different businesses or by backward integration. Akums drugs and pharmaceuticals Limited might consider investing in to an API manufacturing business thus further diversifying its revenue profile as well as back integrating for supply chain advantages.

Strong tailwinds for larger and more organized players due to regulatory changes

Pharmaceutical industry across the world is highly regulated with many countries having its own regulatory body to authorize the drugs. Indian pharmaceutical industry too has been regulated by the various regulatory authorities for manufacturing practices and distribution of pharmaceutical products. Regulatory changes in the pharmaceutical industry impacts entire pharma value chain. Regulatory norms such as GMP are basic requirements for the pharmaceutical company to manufacture drugs. Many Indian companies are only GMP compliant and any higher compliance standard than GMP may impact the players in the Industry. Smaller and unorganized players who are not equipped with technology and resources may see a greater impact than much organized players. In addition to technology and resources, Organized CDMO players have longer and established contracts with the pharma companies which helps them negotiate better when it comes to regulatory changes and therefore are better placed than the small and unorganized players.

Impact of new Schedule M to be implemented in October 2021

Union Health Ministry had issued a draft notification in October 2018 seeking to revise and upgrade Schedule M. At present, while majority of small and medium drug manufacturers in India comply with Schedule M. Schedule M is a part of Drug and Cosmetic Act 1940. It stipulates good manufacturing practices ("**GMP**") for manufacturing medicines that should be followed by pharmaceutical manufacturing units in India. GMP and requirements of premises, plant and equipment for pharmaceutical products are currently covered under Rules 71, 74, 76 and 78 of Schedule M.

By incorporating the WHO and ICH Guidelines as Rules, manufacturers are expected to be at a greater risk of being penalized for discrepancies. The proposed revision requires a revisit to include relevant and specific additional requirements based on WHO Guidelines and EU systems. According to the Drug Controller General of India, WHO-GMP guidelines need to be adopted as a part of the global harmonization process. This will enhance the capacities of the domestic industry and help them to participate in public healthcare tenders and also help seek financial and other incentives from the government. Small and medium pharmaceutical manufacturers expected to be impacted more they will have to shell out huge amount of money to implement it, which would be a drag on the sector already troubled by steep rise in API costs.

In addition, in the notification issued in February 2020, the Government of India has made drug marketer responsible for the quality of drugs along with manufacturers. It states that any marketer who sells or distributes any drug shall be responsible for quality of that drug as well as other regulatory compliances along with the manufacturer. This is expected to make pharmaceutical product manufacturer and marketers equally responsible and share the risks equally.

ASSESSMENT OF INDIAN PHARMACEUTICAL MARKET

Review and outlook on Indian domestic formulations market

Domestic growth estimated to have seen a significant slowdown in Fiscal 2021 led by demand disruptions due to COVID-19

The domestic formulations industry is facing regulatory changes and increased price controls, which is expected to put some pressure on revenue growth in the medium term. However, significant growth in the chronic segment and expansion of the Ayushman Bharat scheme in the future are expected to lend support to demand. Further, COVID-19 vaccine is expected to provide a significant upside to the sector as well. The growth in the domestic formulations industry was stable and strong in Fiscal 2020, despite government interventions. Drugs under the National List of Essential Medicines ("**NLEM**") comprised approximately 20% of the overall domestic market in Fiscal2020. On the non-NLEM front, the industry expanded approximately 10% on-year, driven by increase in pricing.

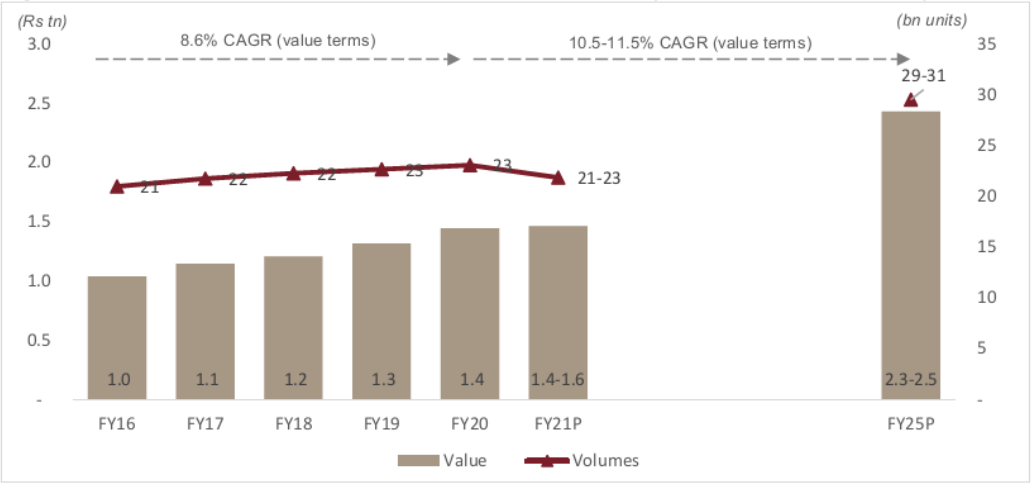
On account of the COVID-19 pandemic, the domestic pharmaceutical sales declined in the first quarter. As lockdown continued in April and May, the domestic pharmaceutical market had a 6% decline in growth for the quarter. Closure of smaller clinics and hospital OPDs, postponement of surgeries resulted in slower sales of drugs in domestic market. Some support was provided by increase in sales of chronic therapies, such as, cardiac and anti-diabetes. The growth further deteriorated in the second quarter and the market registered de-growth of 2.4% in the first half of Fiscal 2021. Assuming that the demand is expected to have picked up in the second half, domestic market growth is estimated to be approximately 1% to 3% in Fiscal 2021 (in value terms). Growth is expected to pick up as things return to normalcy gradually. The National Pharmaceutical Pricing Authority ("**NPPA**") has fixed retail prices of 869 formulations under price control based on price revision as per annual wholesale price index ("**WPI**") of 1.88% increase.

Fiscal 2022 revenue growth will be led by COVID-19 vaccines. The Government has started distribution of vaccines among target groups from mid-January 2021. This will increase revenues for the sector in Fiscal 2022 as vaccination drive gathers pace. Currently, Serum institute and Bharat Biotech have received approvals for their vaccines. Several other players are in the pipeline as well. COVID-19 vaccine distribution will aid revenues for players in the near to medium term.

Domestic formulations market to grow at approximately 11% CAGR over the next five years

Indian domestic formulations market (consumption) grew at a healthy rate at 8.6% CAGR over the last five years from Fiscal 2016 to Fiscal 2020. The domestic formulations segment is expected to grow at approximately 11% CAGR over the next five years from Fiscal 2021 to Fiscal 2025 driven by strong demand in generic segment. The domestic formulations demand is expected to reach ₹ 2.3 trillion to 2.5 trillion by Fiscal 2025.

Trend and Outlook on domestic formulations demand (in value and volume terms)

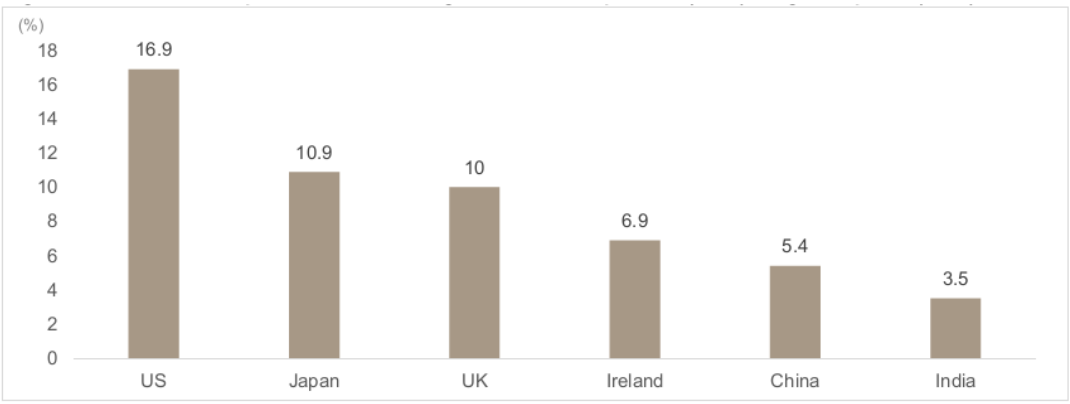


Source: AIOCD AWACS, CRISIL Research

Growth in chronic segment to continue to boost growth in medium term

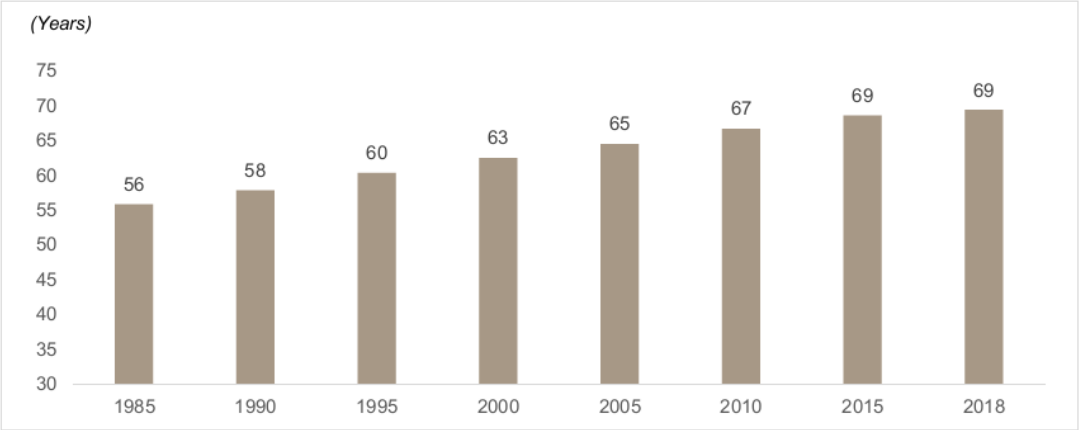
New product launches in the chronic segment is likely to aid growth in the sector in medium term. Further, the rise in the anti-diabetic, cardiac, and dermatology segments would support growth of the domestic industry. Chronic portfolios of major companies have seen a significant growth in the past five years, with anti-diabetes being the fastest growing segment. Further, prices have been revised upwards by approximately 2% from April 2020 for medicines under the NLEM, in line with the WPI. As per World Bank data, India's per capita expenditure on health is among the lowest among developing countries, representing significant potential. The sector is also expected to benefit from factors such as rising incidence of lifestyle-related diseases, and better healthcare, diagnostic and hospital infrastructure, which has helped improve the disease detection rate. CRISIL Research expects such factors to increase healthcare expenditure, thereby aiding growth in the domestic market.

Healthcare expenditure as a percentage of GDP for global peers (2018)



Source: World Bank, CRISIL Research

Life expectancy at birth (years)



Source: WHO world health statistics 2020, CRISIL Research

Chronic disease care drugs (meant to treat many non-communicable diseases) are seeing high growth rates, primarily due to growth in the urban population, better awareness on healthcare, and greater penetration of services. Disability-adjusted life years lost for the Indian population reflect the shift in disease profile. The metric, published by the World Health Organization, is the number of life years lost due to premature mortality plus the number of years lived with disability. The prevalence of chronic diseases has been significantly increasing in the last few years. According to the Report on Status of Elderly in Select States of India, 2011, published by the United Nations Population Fund ("**UNFPA**") in November 2012, chronic ailments, such as, arthritis, hypertension, diabetes, asthma, and heart diseases, were commonplace among the elderly, with approximately 66% of the respective population reporting at least one of these diseases that pressurizes the healthcare system.

With improving life expectancy, the demographic of the country is also witnessing a change. As of 2011, approximately 8% of the Indian population was of 60 years or more, and this is expected to increase to 12.5% by 2026. Changes in lifestyle and food habits, aided by higher disposable income, rising pollution levels have all contributed to an unprecedented increase in chronic diseases in the cardiovascular system (such as, hypertension and congestive heart failure), metabolic system (such as, diabetes), central nervous system (such as, depression and anxiety), respiratory system (such as, asthma, allergic rhinitis and bronchitis) and various other essential biological systems. Chronic therapeutic category refers to drugs used for treatment of such diseases for an extended treatment as opposed to acute therapeutic category for which the drug is consumed for a shorter or a limited period (typically less than three weeks). As a result, the chronic therapeutic category has been growing at a CAGR of approximately 10% between Fiscals 2016 and 2020, and has outperformed overall domestic formulations (in terms of consumption), which grew at a CAGR of approximately 8.6% during the corresponding period.

Key therapeutic categories, such as, anti-diabetic, gastro-intestinal, cardiovascular and nutraceuticals have grown at a CAGR of approximately 14.4%, 7.6%, 10.3% and 7.8%, respectively, during Fiscal 2016 and Fiscal 2020. Majority of the therapies for the diseases in the chronic segment are involve multiple organs and systems, and are treated with 'multi-drug therapy' by physicians, *i.e.* the specific use of two or more drugs for single or multiple chronic conditions in an individual. Multi-drug therapy has gain importance over the past few years in the healthcare sector. Multi drug therapy is use of combination of drugs to treat certain diseases. As it was seen in the study conducted by WHO for leprosy treatment, diseases become drug resistant when used over the prolonged period of time making it ineffective in treating that particular diseases. Multi drug therapy addresses this issue by use of multiple drugs in right combinations and proportions. This also means use of more pharmaceutical products for the treatment of single disease. Going ahead multi drug therapy is expected to aid the growth of pharmaceutical consumption.

Disability adjusted life years lost in India led by non-communicable diseases

	Disability adjusted life years (DALYs)	
Communicable diseases	**2009**	**2019**
Tuberculosis	3.8%	3.4%
Diarrhoeal diseases	6.7%	4.3%
Respiratory Infections	10.2%	7.7%
Non-Communicable diseases		
Cancers	4.3%	5.8%
Diabetes Mellitus	1.6%	2.7%
Mental disorders	3.7%	4.7%
Cardiovascular	10.5%	13.9%
Respiratory	4.8%	6.3%
Other Non-Communicable diseases	20.0%	24.5%
Total Non-Communicable diseases	44.9%	57.9%

Source: The Institute for Health Metrics and Evaluation (IHME) / Global Burden of Disease Tool, CRISIL Research

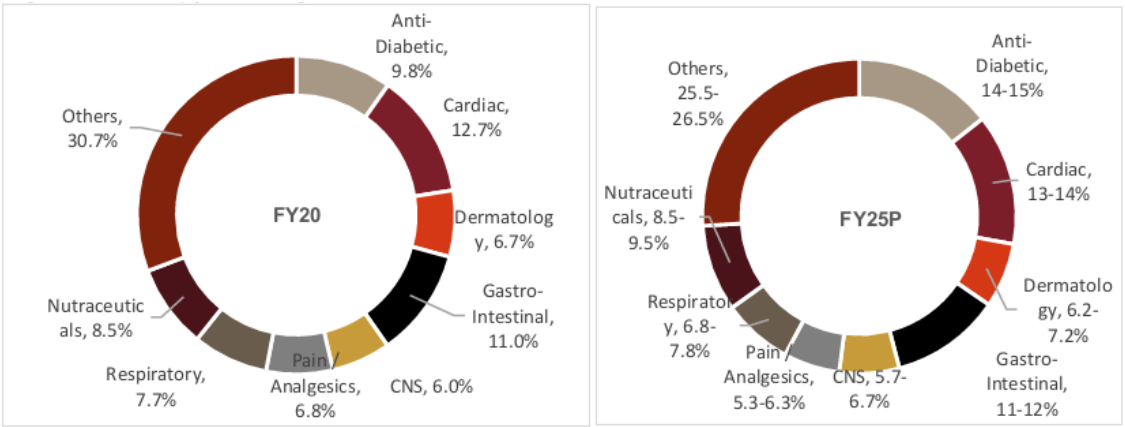
The data indicates a rise in the number of life years lost due to non-communicable diseases such as cancer, cardiovascular ailments, diabetes, and mental disorders between 2009 and 2019. Conversely, life years lost due to diarrhoea, tuberculosis, and respiratory infections have dropped. This shift in the disease profile is expected to continue, with non-communicable chronic ailments adding to disease woes.

Chronic segment's share in the domestic formulations to grow over the next five years

As of Fiscal 2020, anti-diabetic and cardiac were the largest therapeutic segments catered by the Indian formulations industry, accounting for approximately one-fourth of the market share. By Fiscal 2025, these two will continue to remain the largest segments accounting for approximately 30% of the market share. As the prevalence of chronic diseases have grown in India, chronic diseases, such as, diabetes and cardiac disorders, are more prevalent in Indian population. Anti-diabetic constituted 9.8% of all therapies catered by Indian pharmaceutical market and which is expected to grow to 14% to 15% by Fiscal 2025. Similarly, cardiac constituted approximately 12% of all therapies catered by Indian pharmaceutical market and which is expected to grow to 13% to 14% by Fiscal 2025.

The chronic segment typically provides for higher margins in comparison to the acute segment. Over the period under consideration, chronic therapeutic segments are expected to see a higher growth compared to acute therapeutic segment; while chronic segment is projected to grow at a CAGR of 16 to 18%, the acute segment is projected to grow at a CAGR of 11% to 13% during Fiscal 2020 to Fiscal 2025. Under chronic segment, anti-diabetic, cardiovascular, neuro and respiratory therapies are expected to grow at a CAGR of approximately 20%, 12%, 12% and 10%, respectively, from Fiscal 2020 to Fiscal 2025. In the acute segment, gastro-intestinal, pain analgesics and nutraceuticals are some of the key therapeutic areas which are expected to grow at a CAGR of approximately 12%, 7% and 12%, respectively, during the corresponding period.

Therapy-wise segmentation of domestic formulations market

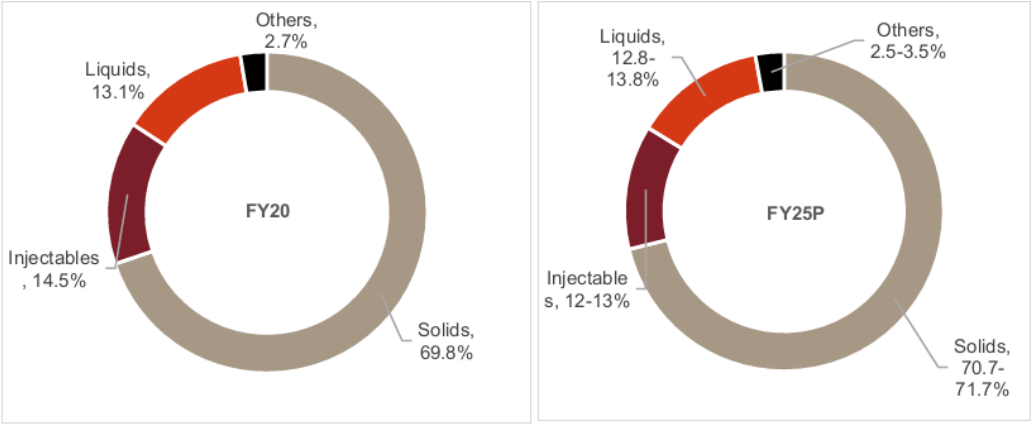


Source: AIOCD AWACS, CRISIL Research

Oral solids to continue to account for major share of the domestic formulations market

In dosage terms, oral solids dominate the domestic formulations industry with approximately 70% share as of Fiscal 2020. Oral solids are expected see their share improve marginally to approximately 71% by Fiscal 2025. The injectables segment constituted 14 to 15% of the all dosage forms catered by domestic formulations industry in Fiscal 2020. The segment has grown at a slightly lower pace (CAGR of 6.3%) compared to overall domestic formulations market (in terms of consumption) (CAGR of 8.6%) during the last five years from Fiscal 2016 to Fiscal 2020.

Dosage-wise segmentation of domestic formulations market



Source: AIOCD AWACS, CRISIL Research

However, its growth is expected to pick up over the next five years from Fiscal 2020 to Fiscal 2025 largely due to strong growth in chronic therapeutic segments, such as, anti-diabetic and oncology as well as acute segments, such as, anti-infective and Hormones. However, during Fiscal 2021 to Fiscal 2025, its share in the domestic formulations market is expected to decline slightly due to lower growth compared to overall industry on account of flat performance in Fiscal 2021. However, injectables segment is expected to see a strong growth in Fiscal 2022 and Fiscal 2023 on account of COVID-19 vaccinations, nonetheless will return to normal growth trajectory thereafter. As COVID-19 vaccinations will provide the upside for injectable in 2022 and 2023, however, thereafter as the vaccine demand fades growth trajectory will return to normal.

Government push for schemes such as Jan Aushadhi Pariyojana, a step towards increasing generic generics penetration

At 90% to 95%, branded generics (drugs that are off-patent and sold on brand names) comprise a majority share of the domestic pharmaceutical industry. Retailers as well as manufacturers earn margins of over 20% on branded generics. As branded drugs account for much of the market share, the Government has undertaken steps to increase the uptake of unbranded generics, by introducing the Jan Aushadhi Yojana in November 2008 to sell low-cost, unbranded, however, quality medicines to all citizens through stores called '*Jan Aushadhi Kendras*'. The Jan Aushadhi scheme saw only about 100 stores till March 2014 since its inception. However, it received a push post-2014 and over 5,500 stores are currently operational in India. However, of India's approximately 8.5 lakh pharmacies, Jan Aushadhi stores represent less than 1%. Therefore, the share of sales through Jan Aushadhi stores is very low. The sales of medicines under the PMBJP scheme have grown at a CAGR of approximately 124% between Fiscal 2015 and Fiscal 2020 and are estimated to be ₹ 6 billion in Fiscal 2021.

However, Jan Aushadhi Yojana is not expected to have a significant impact on the industry in the next five years. Lack of awareness among consumers, non-prescription by doctor for unbranded generics in comparison with branded counterparts are some of the challenges faced. The sale of drugs through Jan Aushadhi stores is thus expected to account for only approximately 2% of total domestic pharmaceutical sales by Fiscal 2024. On the other hand, a significant increase in scale might impact the volumes of chronic drugs in the market, thereby affecting the market share of branded players.

Ayushman Bharat to support long term growth

Rising lifestyle diseases and growth in insurance penetration (mainly because of Ayushman Bharat) would aid demand for the pharmaceutical sector in the long term. Ayushman Bharat PM-JAY is the largest health assurance scheme in the world which aims at providing a health cover of ₹ 5 lakhs per family per year for secondary and tertiary care hospitalization to over 10.74 crores poor and vulnerable families (approximately 50 crore beneficiaries) that form the bottom 40% of the Indian population.

Ayushman Bharat, a Government of India scheme, is unlikely to have a major impact in the short term. This is on account of the initial years will be spent in getting majority of the population enrolled as well as private hospitals empaneled in the scheme, which is very low currently. Nevertheless, the scheme can be a huge positive for the pharmaceutical industry in the long run, as it will accelerate healthcare coverage in India, which is currently very low at 34%. Ayushman Bharat also aims to upgrade 1.5 lakh primary healthcare centers ("**PHC**") to provide diagnostic services and free medicines for preventive care. This could be a huge spin-offs for the industry as well. Strengthening of PHCs is necessary to take domestic industry growth to a higher trajectory.

However, it should be noted that though the share of private sector is 45% in facilities enrolled for the scheme, but approximately 52% of spend has taken place here. This clearly indicates the preference of beneficiaries for private hospitals, given that the government infrastructure is already over-burdened. Amongst the treatments sought, 57% of the total spend has been on tertiary treatments, with orthopaedics, cardiology, cardio-thoracic, oncology and urology being the most preferred, indicating the unmet demand in this category.

Review of key growth drivers for the industry

With life expectancy improving and changing demographic profile, healthcare services a must

As of 2011, approximately 8% of the Indian population was of 60 years or more, and this is expected to increase to 12.5% by 2026. According to the Report on Status of Elderly in Select States of India, 2011, published by the United Nations Population Fund (UNFPA) in November 2012, chronic ailments such as arthritis, hypertension, diabetes, asthma, and heart diseases were commonplace among the elderly, with approximately 66% of the respective population reporting at least one of these. With the Indian population expected to grow to approximately 1.4 billion by 2026 and considering the above mentioned factors, the need to have ensure healthcare services to this vast populace is an imperative. However, this also provides a huge opportunity to expand into a space that bears huge potential.

Rising Income levels along with strong awareness for health has resulted in people seeking quality healthcare services

India's per capita income, a broad indicator of living standards, has increased at a CAGR of approximately 5% between Fiscal 2012 and Fiscal 2020, rising from ₹ 63,642 to ₹ 94,954. With rising income levels and health awareness people are seeking better and quality healthcare services. This includes availing of better hospital services, better medicine and pharmacy services. Even though healthcare is considered a non-discretionary expense, considering that an estimated 83% of households in India had an annual income of less than ₹ 2 lakh in 2011 to 2012, affordability of quality healthcare facilities remains a major constraint. Growth in household incomes, and consequently, disposable incomes, is, therefore, critical to the overall growth in demand for healthcare industry in India. The share of households falling in the income bracket above ₹ 2 lakhs is expected to increase to 35% in 2021 to 2022 from 23% in 2016 to 2017, providing potential target segment.

Improvement in health insurance penetration in India

Low health-insurance penetration is one of the major impediments to growth of the healthcare delivery industry in India, as affordability of quality healthcare facilities by the lower income groups continues to remain an issue. As per the Insurance Regulatory and Development Authority ("**IRDA**"), approximately 472 million people have health insurance coverage in India (as of 2018 to 2019), as against 288 million (in 2014 to 2015), however, despite this robust growth the penetration in Fiscal 2019 was only 36%.

Recent trends in Indian pharmaceutical industry

Growth in outsourcing trend and its advantages to larger players

Pharmaceutical companies are always under pressure to commercialize their product as early as possible. One of the key strategies for accelerating new products in the healthcare industry is outsourcing. Outsourcing, or the use of contract services, allows sponsor organizations to access technology, capacity, resources and expertise that may not be readily available in-house. Pharmaceutical manufacturers and developers of all extents, however primarily the leading international pharmaceutical companies, now regularly outsource many functions and tasks earlier thought-to-be in-house principal proficiencies. The primary nature of the pharmaceutical industry has transformed as process efficiencies and cost management have become vital for persistence. Further, outsourcing has developed as an industry trend, and now comprises the full range of corporate activities –from screening and lead identification to toxicology and several other processes like preclinical studies, clinical trials, manufacturing, and marketing at all scales Outsourcing also allows a sponsor to pursue multiple projects concurrently due to the additional resources available from the contract provider. Access to a contract provider and implementation of a sound outsourcing strategy can result in a successful project that meets (or even exceeds) a sponsor's original expectations. Outsourcing helps big pharmaceutical company reduce costs as they don't have to invest in the capex for every product that they commercialize.

Asset light model and cost control

Maintaining an asset-light business model for larger pharmaceutical players means outsourcing capital intensive activities such as manufacturing, storage and logistics to specialist organizations in these fields which helps companies focus on their core activities like growing their portfolio of products and investment in various other products. Asset light business model for pharmaceutical companies enables company to outsource activities right from molecule R&D to commercial manufacturing of the particular drug. In the process of R&D of the molecule which can take significant amount of time to conclude, companies by outsourcing these activities don't have to own the facilities for the longer period of times which can save company costs on maintain and running the costs of such facilities. Company also get to enter in to flexible contracts with the outsourcing players.

Time to market

The time-to-market of new products is an important source of pharmaceutical player's comparative advantages. Generic pharmaceutical companies in particular tend to improve their market position by being first in the market when a patent on an original product expires as research on the patents to be expired happen months before even it gets expired. R&D for the pharmaceutical companies has been the area that takes significant amount of time. For pharmaceutical companies it is important that they reduce the time between developments of molecule to its commercialization. This essentially means companies are using technologies and resources to reduce the time it takes for a developed molecule to reach the end user. Working with agile and adoptive approach may help pharmaceutical companies in reducing time to market of the product.

Agility and Flexibility

Flexibility and agility in business relate with the dimensions of choice and speed at various levels in the conduct of the business. These are required in view of changing business situation, customer needs, market dynamics, and competition. Especially after COVID-19 business have to be more flexible in their processes especially in areas like supply chain management which were impacted due to COVID-19 pandemic. Pharmaceutical industry especially has to be flexible in its supply chain management as there is long value chain that goes on to make the final product. Indian Pharmaceutical industry is heavily dependent on imports for the raw material required in the manufacturing process. After pandemic many players in the industry are diversifying their sources in order to bring more flexibility to their supply chains and hence the other business processes. Further, with evolving business scenario in Indian pharmaceutical industry, companies have to bring in the new technologies and processes in order to stay relevant in the industry. Businesses have to be very quick to respond these evolving scenarios. Pharmaceutical companies in India are subjected to various regulatory norms from countries like US, UK and PIC. With ever changing regulatory environment companies have to be agile enough to respond and comply with these changes.

Indian Trade Generics market

Overview of Indian trade generics market

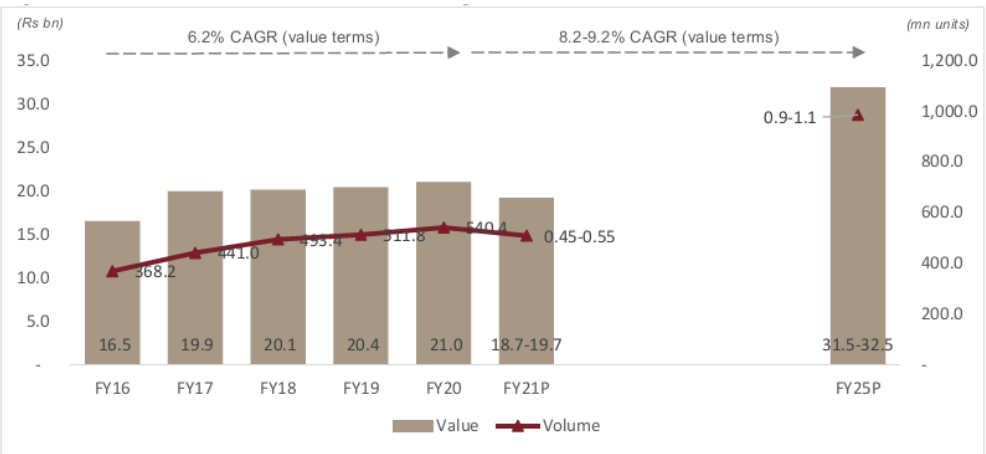
Trade generic products are generic medicines, *i.e.* drugs for which the patents have expired, which are sold directly to the distributor and not marketed through medical representatives, and are typically used as a substitute for more expensive branded generic medicines in order to offer affordable medicines to patients by the retailers and pharmacies. Trade generics in India has been overshadowed by the rise of branded generics. Branded generics forms a majority of the part in overall Indian generics pharmaceutical market. Many of the small and medium sized Indian pharmaceutical firms operate in the traded generics industry. With its lower costs and similar quality to branded generics, traded generics market is gaining traction in the Indian pharmaceutical market, albeit at the slower rate. Government of India has also taken keen interest in promoting traded generics with initiatives, such as, Pradhan mantra Bhartiya Jan Aushadhi Pariyojana where it provides traded generics through Jan Aushadhi Kendras. Traded generics provide good opportunity for Indian generics manufacturer to export to some of the semi regulated market as these market share similar disease profile as well as have lower healthcare expenditure. Many of the pharmaceutical players are adding trade generic to their portfolio; Abbott Healthcare Limited, Cipla Limited and Alkem Laboratories Limited are some of the players operating in Indian trade generics market.

Indian trade generics segment to clock a higher growth over the next five years on account of Government initiatives and rising awareness levels

In particular, the generics has been significantly growing at CAGR of approximately 2.7% (in volume terms) during Fiscal 2016 and Fiscal 2020 in India. In particular, the trade generics segment has been growing at CAGR of 10.1% (in volume terms) during Fiscal 2016 and Fiscal 2020 in India, which is higher than the domestic formulations growth (in volume terms).

Indian trade generics industry has grown at 6.2% CAGR in the last five years from Fiscal 2016 to Fiscal 2020; it is estimated to have been around ₹ 21 billion in Fiscal 2020. Indian trade generics industry is expected to grow at a CAGR of 8.2% to 9.2% in the next five years owing to Government initiatives and awareness for low cost trade generics and is expected to reach ₹ 31.5 billion to ₹ 32.5 billion by Fiscal 2025. In volume terms, its growth is expected to continue to outpace the overall domestic formulations volume sales during the next five years period from Fiscal 2020 to Fiscal 2025; traded generics segment is expected to record volumes sales at approximately 13% compared to overall domestic formulations volumes growth of approximately 5% during the corresponding period. However, in value terms, traded generics growth will continue to lag that of the overall market due to lower realisation levels.

Review and outlook on Indian trade generics market



Source: AIOCD AWACS, CRISIL Research

Growth drivers for Indian trade generics market

Trade generics are characterised by their low costs compared to branded generics which are slightly priced higher than the trade generics. Trade generics are of similar quality to branded generics but are sold at relatively lower prices. With increasing population, trade generics presents an excellent opportunity to provide for the healthcare need of the population. Also trade generics is the great option for people in rural areas who are less privileged to access the healthcare facilities. The rural markets are characterised by lower penetration of healthcare facilities, low per capita consumption of medicines, a wide base of patients with acute and chronic diseases, and low penetration of generics. In terms of medicine consumption, these markets are mainly driven by low-cost generics. The demand for the treatment of chronic diseases will boost generics off-take due to limited budgets and high out-of-pocket expenditure. Also, government is focusing on rising awareness and promote use of generic medicines in the country.

Government push for schemes such as Jan Aushadhi Yojana, encouraging traded generics use

It is estimated that the sale of drugs through Jan Aushadhi stores is likely to account approximately 2% of total domestic pharmaceutical sales by Fiscal 2024. It is expected that a significant increase in scale might impact the volumes of chronic drugs in the market, thereby affecting the market share of branded players (in volume terms). The generics pharmaceutical industry in India has seen significant growth of approximately 7% CAGR (in value terms) during the last five years from Fiscal 2016 to Fiscal 2020.

Trends in Indian trade generics market

India yet to accept trade generics completely

Although trade generics are considered to provide similar quality as that of branded generics or branded innovators, there still apprehension about use of trade generics extensively. There is apprehension among physicians in prescribing generics medicines to their patients. Most of these apprehensions are related to quality of the product. Apart from this, poor patient acceptability due to various issues, such as, poor packaging and lack of brand promotion initiatives, are affecting the extent of penetration of traded generics drugs in India, even though India is becoming a leader for all developing countries in the supply of generic medicines. The Government and the policy makers in India and other similar developing countries have been focusing on building confidence among physicians and the patients regarding traded generic medications.

COVID-19 induced buying of generic drugs as people favour low cost drugs

Higher sales of generic drugs and India's Jan Aushadhi initiative, that makes available quality drugs at affordable prices through dedicated stores selling generic medicines, are impacting volumes of branded generics players. As the buying capacity of consumers has reduced in light of the COVID-19 lockdown, there is a growing preference for generics and lower-priced medications.

Investment in quality infrastructure inhibiting the growth of trade generics in India

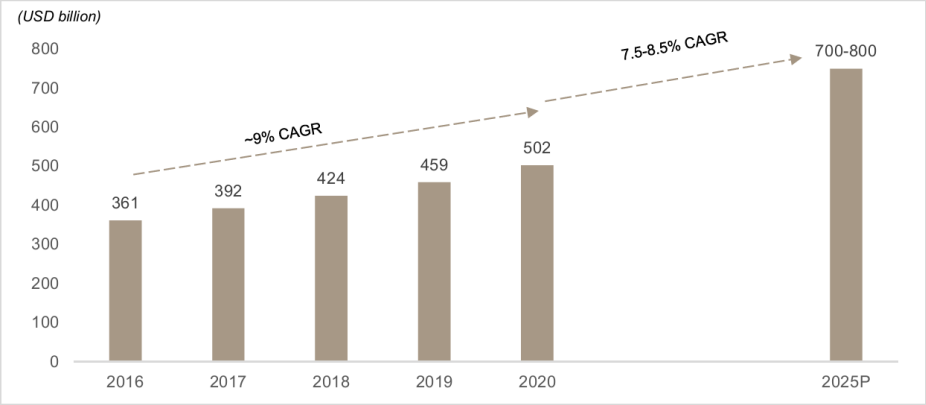
Traded generics are often criticized for its quality as compared to branded generics. Traded generics players will need to invest in technology and equipment to meet the quality standards of branded generics drugs. This will facilitate faster approval as well as quality compliance. On the other hand if Generic companies, invests in technology and equipment upgrades they will try to recover these costs by increasing the selling price for the drug and hence will close in on the prices of branded generics. This presents a case for more awareness building among the physicians and patients to use generics medicines.

Global Injectables industry

Global injectable market to grow at steady approximately 8% CAGR in the next five years

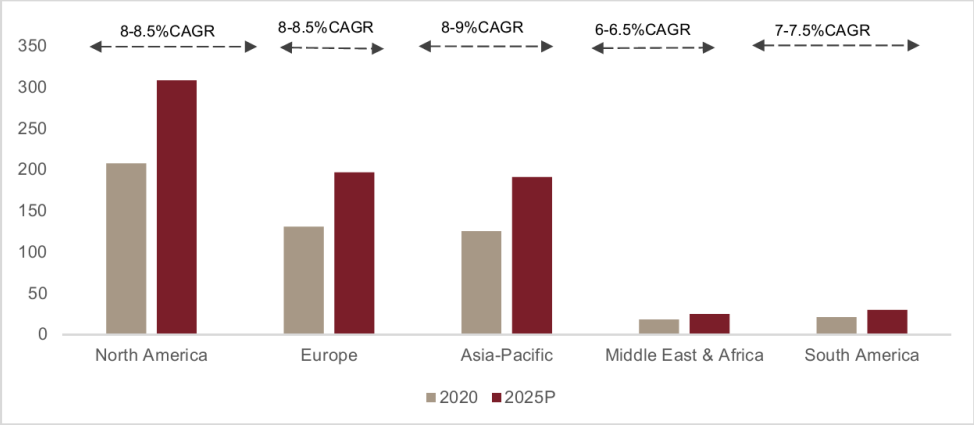
Global injectables market has grown at a higher pace compared to overall global pharmaceutical market over the last five years from 2016 to 2020; the segment grew at approximately 9% CAGR during the corresponding period to reach approximately US$ 502 billion in 2020. It is expected to grow at approximately 8% CAGR over the next five years to reach US$ 700 billion to US$ 800 billion. Rising adoption of injectable drugs from individuals suffering from chronic diseases such as cardiovascular diseases, autoimmune and inflammatory diseases, cancer, and infectious diseases is expected to increase the market growth. Oncology segment has also driven growth of the injectables segment since chemotherapy drugs are largely administered in injectables form. Growth in biologics and increase incidence of chronic ailments have supported the growth in the global injectables segment of the global pharmaceutical industry.

Review and outlook on global injectables market



P: Projected
Source: Mordor Intelligence, CRISIL Research

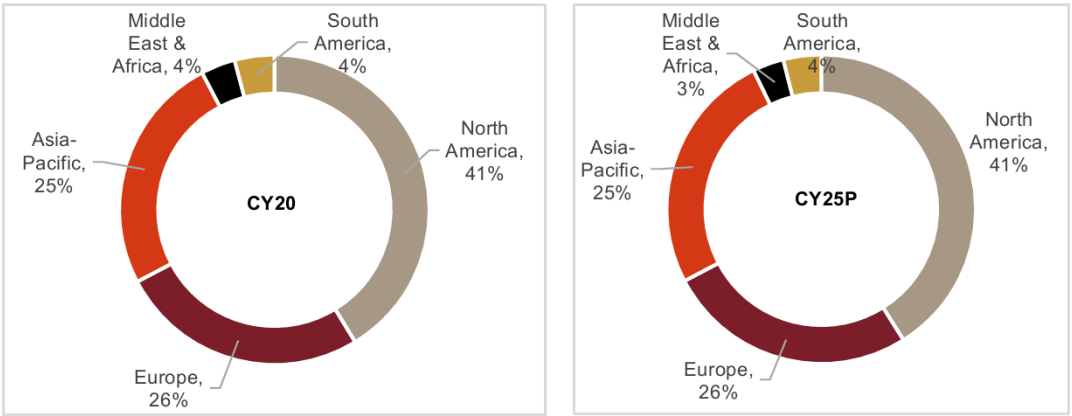
Region-wise segmentation of global injectable market



P: Projected
Source: Mordor Intelligence, CRISIL Research

Going ahead, over the next five years from 2021 to 2025, all regions are expected to hold on to their past growth trend and thus, their market share will remain at levels similar to those in 2020.

Region-wise segmentation of global injectables market



P: Projected
Source: Mordor Intelligence, CRISIL Research

Margin profile and returns for the injectables business

There are plenty of different pharmaceutical players operating across the pharma value chain which consist of, amongst others, R&D, manufacturing of APIs, manufacturing and marketing of formulations. Margin profile and returns in the injectable business depend on the type of business the players are involved in. Injectable players can be said to operate in business to customer segment ("**B2C**") and business to business ("**B2B**").

B2C segment: In this segment, formulations are marketed directly to the end consumer by the drug marketing companies or big pharma companies. These companies bear the cost of formulation development and IP rights. Manufacturing of the formulations can be done in-house by the company or can be outsourced to contract manufacturing player. Contract manufactures provide manufacturing services only. Margins for players in this segment depend upon the cost of goods sold which can be minimised by strategically outsourcing which helps reduce fixed costs. Outsourcing decisions for these companies will depend on the cost-benefit analysis between outsourcing to contract manufacturers and in-house manufacturing. Another important aspect that affects the profitability of the B2C players is the selling, general and administrative costs ("**SG&A**"). SG&A expenses can form significant part of the player's cost structure and hence can have a bearing on the player's operating profitability.

B2B segment: This segment involves contract manufacturers or value added service providers entering into an arrangement with the injectables marketing player. Injectables marketing player enters into an arrangement with the contract research and manufacturer ("**CRAM**") or value added service provider, who can provide development support as well as manufacturing support as per the arrangement. In such arrangements value added service provider can either have the IP rights and bear the cost of development or it can work in technology transfer arrangement where in IP rights are owned by the drug marketer and so the costs of development need not be borne. In the former arrangement, value added service provider can charge licensing fee and transfer fee for the approved drug while in the latter arrangement, value added service provider charges for goods sold. Margin for such players operating in the contract manufacturing segment are more robust as there are fixed contracts for the development and manufacturing of the drugs. Also S&G costs are avoided by operating in such arrangement. B2B business model also allows opportunity for scaling up operations as the players can specialize in particular molecule and have supply contracts with multiple injectables marketing players.

Growth drivers for global injectable market

Rise in chronic diseases. There is an increase in the prevalence of diabetes and other chronic diseases for which treatment is primarily administered using injectables. According to the OECD's Health at a Glance, the 2019 report, almost one third of people aged 15 years and over reported living with two or more chronic conditions.

*Emergence of new drug delivery systems ("**NDDS**").* The development of new injectables delivery devices has facilitated increased access to self-administered medications which are convenient and safe to use. NDDS helps the patients reduce frequency of their hospital visits. Apart from diabetes, NDDS has also found applications in segments, such as, oncology and hormone therapy which entail delivery of multiple doses over the course of the treatment.

New therapeutic areas for injectables. The market for injectables is growing for new ailments such as rheumatoid arthritis, multiple sclerosis, cancers and autoimmune disorders. Pharmaceutical players, especially in the injectable segment are investing in research and technology that will cater to formulations in this new segment of diseases.

Growth of biologics. Biologics are making robust progress in the pharmaceutical industry. Injectable in the pharmaceutical industry are witnessing increased adoption as the preferred drug delivery systems due to their ease of handling, less overfills and more safety to patients. In the next few years, many biologic drugs are expected to witness patent expiry. This is expected to result in a surge in their biosimilar and biologics products which in turn is expected to rise demand for the injectables drug delivery devices for such formulations.

Opportunity for Indian contract development and manufacturing organizations. India is a preferred outsourcing destination for injectables and has potential injectable contract manufacturing players with regulatory approved facilities capable of exporting to developed markets. Some of the large pharma companies have already partnered with Indian contract manufacturing players for their injectable requirements for the U.S., Europe and other markets. Therefore, other pharmaceutical companies are also expected to follow trend and partner with Indian contract manufacturers to export injectables to developed markets. Some of the leading Indian companies in injectables space, include, Dr. Reddy's Laboratories, Lupin Limited and Sun Pharmaceuticals Limited, have outsourced their injectables manufacturing to reduce fixed costs and supply chain complexities. Also, Indian CDMO players are tapping into the opportunity in injectables CDMO space leveraging their presence in domestic formulations industry. Players, such as, Akums Drugs & Pharmaceuticals Limited and Innova Captab Limited, have already been catering to needs of Indian injectable pharmaceutical players. Going ahead, with robust profitability of the injectable CDMO business, more CDMO players are expected to enter in to injectables space serving Indian domestic market.

Overview of domestic injectables CDMO market

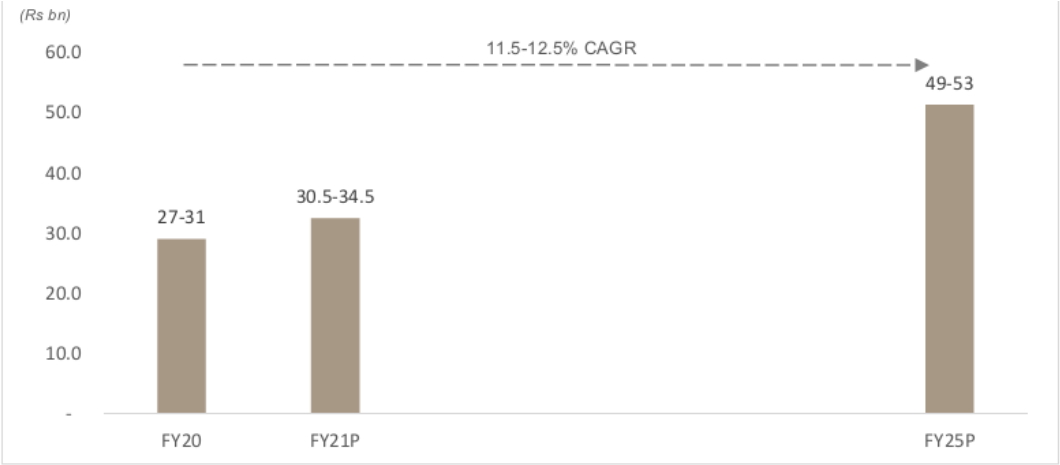
Overview of the domestic injectables CDMO market

Domestic injectable CDMO industry focuses on manufacture of injectable formulations mainly for domestic formulation companies. Manufacturing of Injectables requires stringent quality compliance as well as personnel training. By tapping into this niche market Indian, CDMO players are entering this segment to diversify their portfolio. Technical complexities and stringent regulatory norms in the manufacturing of injectables are driving the decision to outsource by big pharma companies. Though, injectables constitutes minor share in overall Indian CDMO industry, it is expected to be a high growth segment in the medium to long term considering growth in chronic therapeutic segments. With growth of novel delivery systems and chromic disease segment which drives the injectables markets, domestic injectables CDMO is expected to grow at healthy pace in the coming years.

Review and outlook on the domestic injectables CDMO market size

Domestic injectables CDMO industry is valued at approximately ₹ 27 billion to ₹ 31 billion in Fiscal 2020. It is expected to grow at 11.5% to 12.5% CAGR in the next five years from Fiscal 2020 to Fiscal 2025 owing to growth in chronic therapeutic areas, such as, anti-diabetic and oncology, and strong demand from outsourcing for these therapeutic segments by large pharma companies. The segment is expected to reach ₹ 49 billion to ₹ 53 billion by Fiscal 2025.

Review and outlook on domestic injectables CDMO industry



Source: CRISIL Research

The domestic injectables market was estimated to be ₹ 209 billion in Fiscal 2020 and is expected to grow at a CAGR of approximately 12% to reach approximately ₹ 330 billion by Fiscal 2025. Injectables constitute approximately 14.5% of the Indian formulations market and have grown faster (in volume terms) than the overall market at a CAGR of approximately 2.7% during Fiscal 2016 and Fiscal 2020. Further, specialized technologies and dedicated capacities are required for sterile injectable which leads to high outsourcing of products, especially in therapeutic segments that require efficient targeting of drugs. In addition, the acceptance of pre-filled syringes' is driving the growth of injectables market and in turn leading to increase in demand of CDMOs that has these capabilities.

As the emerging market is growing, local companies lacking robust manufacturing capabilities are expected to look for competent CDMOs that can handle high potent drugs effectively and efficiently. Moreover, since the share of injectables in the overall drug approvals has been increasing, the demand for injectables is expected to continue to grow in the future. Companies carrying out clinical trials require smaller batches of production and they look for CDMOs for clinical supplies, resulting in an increase in the demand for CDMOs who have the ability to manufacture clinical supplies and present in this segment.

Trend in outsourcing in the Indian injectables market

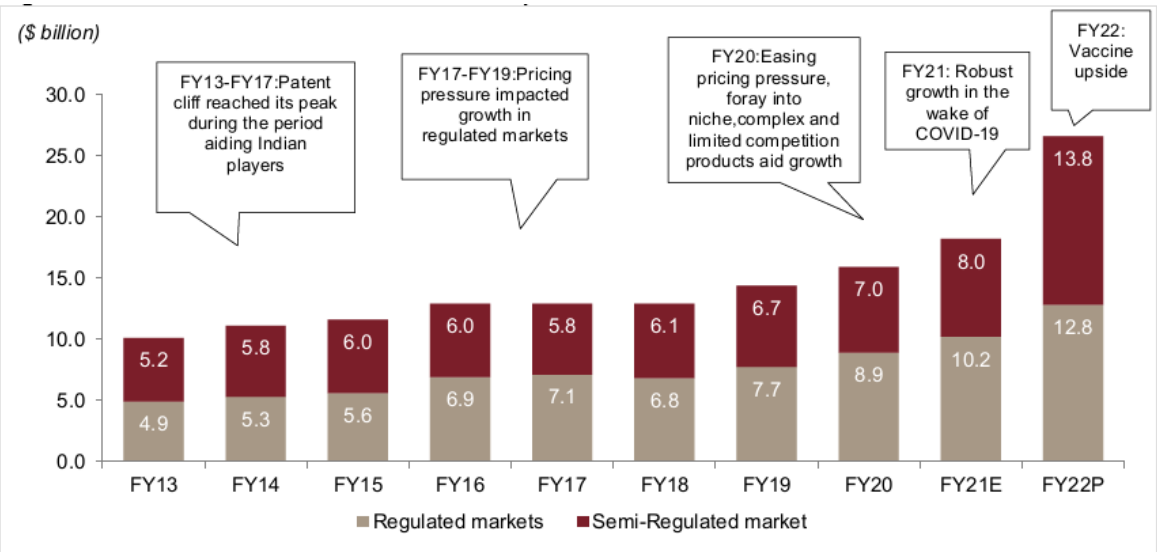
There has been a consolidation trend in the Indian CDMO industry in order to provide end to end services. Global injectables industry is expected to steadily grow at approximately 8% CAGR in the next five years. Injectables industry has seen new forms of drug delivery systems as well as emergence of self-administered injectables. Also, few technologies categorized as complex injectables have been proven to be better drug delivery systems, such as, liposomes, nanoparticles, microemulsion, microparticles, micelles and PEGylation. These are termed as NDDS. The new developments require a wider range of development capabilities and manufacturing expertise to ensure reduced time to market. As a result pharmaceutical companies look for strategic, integrated value added partners, who can help deliver on the various front helping big pharma companies reduce complexities in supply chain.

Injectables CDMOs offer long-term supply security as access to advanced technologies and expertise like High Potent Manufacturing, Isolator technology for injectables etc. which otherwise requires investment for separate containment area. This helps the big pharma companies to focus on their core operations. In addition, CDMOs take care of end-to-end supply chain that reduces the complexities associated with management of inventory and logistics for the big pharma companies.

Formulation exports

Exports remain strong in Fiscal 2021, COVID-19 vaccine sales to increase growth in Fiscal 2022

India's formulations exports continued on growth path in Fiscal 2020 and Fiscal 2021 led by newer launches and opportunities in limited competition products, amid reducing pricing pressures in the United States market. Exports increased by approximately 11% on-year during Fiscal 2020. This is despite the increased scrutiny by US FDA on the regulatory front. Although the recent COVID-19 caused logistic and demand disruption across the world, formulation exports have grown approximately 18% during the nine months ended December 31, 2020 compared to the corresponding period. An increase in demand for pharmaceutical products, induced by the COVID-19 pandemic, and hoarding of supplies by some nations in the wake of production disruptions, have increased exports.



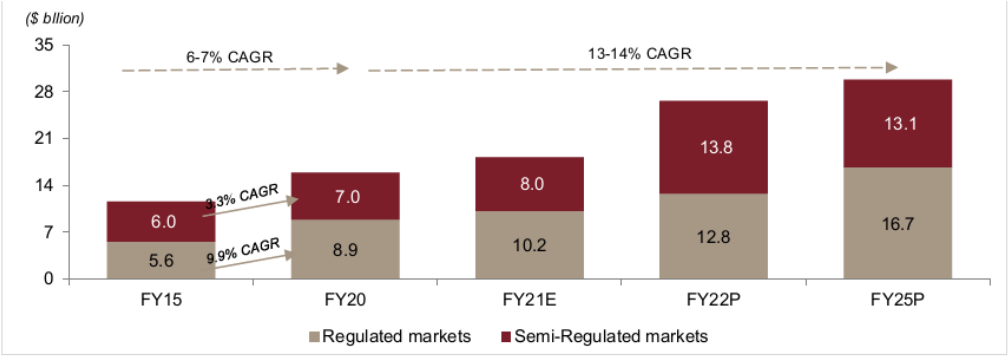
Note: E: Estimated, P: Projected

Source: CRISIL Research, Directorate General of Commercial Intelligence & Statistics (DGCIS)

Note: The US, Canada, West Europe, South Korea, Japan and Australia are regulated markets, which have robust regulatory frameworks. Semi-regulated export markets have less-developed regulatory frameworks. These include Africa, Latin America, Asia, the Middle East and the rest of Europe, comprising Russia and Ukraine.

Further, the exports growth in Fiscal 2021 is estimated to be at approximately 13% to 14% on-year, up from approximately 12% growth reported in Fiscal 2020. Exports remained strong in Fiscal 2021 owing to continued demand for various products.

Formulation export trend ($ billion)



Note: P- Projected

Source: The Directorate General of Commercial Intelligence & Statistics (DGCIS), CRISIL Research

Note: The forecast is based on Currency movement, Thrust by developed countries to reduce overall spend on medicines, Patent expiry generating significant opportunity for generic medicines, Regulatory environment, including regulatory approval time for dossiers, for instance, abbreviated new drug applications (ANDAs),Continent-specific factors: Consolidation among large buyers in the United States (US), impact of the Patient Protection and Affordable Care Act (Obamacare) in the US, and continued austerity measures in Europe, Continued dependence of semi-regulated markets on low-cost generic medicines.

Formulations exports to regulated markets

Specialty and complex generics – moving from 'nice-to-have' to a 'must-have' business

Complex generic products are generic products that have technical complexity in (i) manufacturing or handling of the active ingredient; or (ii) formulation; or (iii) route of delivery; or (iv) pairing with a device to make a drug-device combination. With declining opportunity in the conventional generics segment and pricing pressures on the existing portfolios, it has become important for Indian players to look at high-value and high-margin drugs. Players have been developing niche products in order to weather the impact of pricing pressure. Number of niche product launches during Fiscal 2019 and Fiscal 2020 have been high in comparison to previous three years.

Complex generic products are hybrid drugs whose authorization depends partly on the results of the tests on the reference medicine and partly on new data from clinical trials and are expected to have same clinical effect and safety profile as the branded drugs. The development and manufacturing of complex generic products typically involves a higher degree of expertise/ trained manpower and also utilises higher overall process times which is also usually reflected in higher margins in comparison to conventional products. In addition, the manufacturing of complex generics provides for higher profitability owing to limited competition with presence of only a few players. The complex generic products market has a high barrier to entry as these products are generally difficult to develop and require special know-how from the development and

manufacturing perspective compared to conventional generic products. Complex generic drugs and 'value-added generics' enable the manufacturers and marketers to provide a differentiated product to the market with improved safety, efficacy and cost.

Formulations exports to semi-regulated markets

Players increasing focus on semi-regulated markets

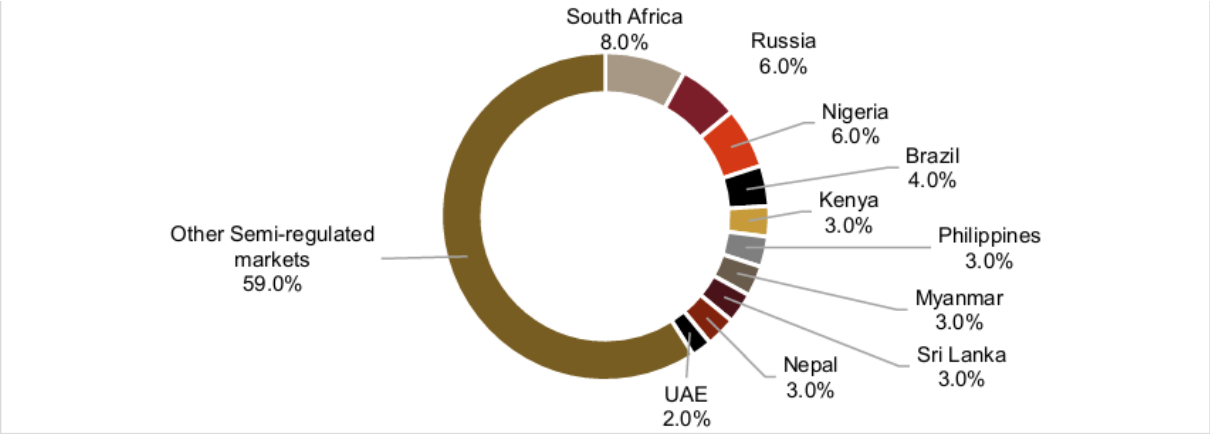
Semi-regulated export markets have less-developed regulatory frameworks. These include Africa, Latin America, Asia, the Middle East and the rest of Europe, comprising Russia and Ukraine. India's formulations exports to semi-regulated markets are expected to grow at a CAGR of 13% to 14% over the next five years to reach approximately $13.1 billion in Fiscal 2025, as players eye growth opportunities in newer markets with low generic penetration. The semi-regulated markets are characterized by lower penetration of healthcare facilities, low per capita consumption of medicines, high population growth rates, a wide base of patients with acute and chronic diseases, and low penetration of generics. Many markets also exhibit disease profiles similar to those in India. In terms of medicine consumption, these markets are mainly driven by low-cost generics.

Region-wise, Africa and Asia (accounting for 83% of the semi-regulated markets) will remain key drivers. The African market is expected to continue to dominate because several Indian companies have already established a large footprint in drug therapies such as anti-virals and anti-malarial. The demand for the treatment of chronic diseases will increase the generics off-take due to limited budgets and high out-of-pocket expenditure in the semi-regulated markets. Also, governments in various countries are looking to strengthen their regulations to allow import of generic drugs in order to reduce their healthcare expenditure. In addition, several developing Asian countries which are semi-regulated do not have domestic capacities to manufacture pharmaceutical products. With increasing awareness for healthcare and similar disease profile to that of India, Indian pharmaceutical players have an opportunity to tap in to these semi-regulated market. Indian players exporting to these countries also have cost efficiencies and skills to cater to these semi-regulated markets. Growth in these markets are expected to remain strong in Fiscal 2022 led by demand for antivirals and antibiotics.

Players look to tap under-penetrated markets for growth

Overall growth in semi-regulated markets for Fiscal 2020 improved by approximately 6% on-year, as players looked at penetrating smaller markets. Growth in markets, such as, Kenya and Brazil improved by approximately 11% and 9% on-year during the period. As pricing pressure continues in the conventional generics segment in the regulated markets, albeit at a slower rate now, more players are looking to enter semi-regulated markets, thereby boosting volume growth and increasing market share. This trend is projected to continue, with players expected to record healthy sales in these markets. Also, low competition from many global generic players in the region and low penetration of generics will aid growth for players. Also as some of the underdeveloped countries don't have access to quality healthcare and medicine, generics presents a real opportunity to expand in to these markets as traded generics products exported from India are comparable to branded generics products manufactured in some of these underdeveloped countries. Further, governments in the region are looking to streamline regulations to allow import of generics, which will help reduce government expenditure. Increase in healthcare spending and rising demand for medicines to treat chronic and lifestyle-related ailments would support growth in the semi-regulated markets. COVID-19 vaccine exports will provide further boost to revenues in Fiscal 2022 as India is a key supplier of low cost vaccines to several nations in the region. All the major players are now looking to increase its presence in semi-regulated markets and act as its next engine of growth.

India's pharmaceutical exports: Share in semi-regulated markets (Fiscal 2020)



Source: CRISIL Research, DGCIS

Countries, such as, Sri Lanka, Vietnam and Myanmar also present significant opportunities for Indian exports segment. Sri Lanka is a south East Asian Country with population of around 22 million. Sri Lanka's pharmaceutical market likely to expand over the coming years. The country's growing and ageing population will act as key drivers of market growth. Additionally, there is a latent and growing demand for the treatment of chronic diseases, which will be supported by government efforts to upgrade healthcare services. Government's pro-generic medicines policies, as well as low per-capita spending on medicines,

will be an added advantage to generic producers like India. Some of the strength of Sri Lankan Pharmaceutical Markets are robust pharmaceutical market growth and government's commitment to improving access to healthcare. This presents Indian exporters with an opportunity primarily due to Sri Lanka depends totally on imports for their requirement of Bulk Drugs and Local industry is yet to catch up with the needs of the country.

Myanmar is an ASEAN country with the population of approximately 55 million. Myanmar is a growing economy and is continuously supported by Government reforms. Indian generic firms are the main foreign companies operating in Myanmar. Majority of multinational pharmaceutical firms do not have operations in the country. It is expected that the situation will improve as the country undergoes economic reform that will lead to a growing appreciation of better healthcare provision. Given the poor quality of infrastructure in the country and fragmented nature of the industry, foreign pharmaceutical firms are likely to leverage pharmaceutical distribution.

Vietnam is an emerging economy with population of approximately 100 million. Vietnam has focused on strengthening the domestic pharmaceutical industry to cater to need of its domestic market. However the domestic pharmaceutical industry in Vietnam is not well equipped to sustain the growing demand. Players exporting to Vietnam can leverage on opportunities in the novel therapeutics and complex treatments. With the current global economic disruptions caused by COVID-19 and ongoing trade uncertainties with China, emerging markets such as Vietnam provide an opportunity for Indian players diversifying their export portfolio.

COMPETITION ANALYSIS

Domestic formulations CDMO market which consists of pharmaceutical players providing value added services in development and manufacturing of formulations to the drug marketing companies. Domestic formulations CDMO industry in India is highly fragmented industry with few organized players and many small unorganized players. Domestic formulations CDMO players in line with the Indian pharmaceutical industry operate out of geographical clusters. Some of the notable clusters are Gujrat, Himachal Pradesh and Uttarakhand.

Domestic formulations CDMO industry has seen robust growth in the last decade owing to shift of large pharma players to outsourcing, rising demand for generic medicines and technology shift for specific manufacturing practices. However profitability of the players depends on many industry dynamics and remains monitorable. The profitability for the players depends on the type of business operations they are in and as the domestic formulations CDMO industry is highly fragmented. The following business operations in regards to CDMO players operating in the India have been analysed:

'In Licensing' CDMO operations

In domestic formulations CDMO industry 'In Licensing' is the process by which intellectual property rights are transferred to the CDMO process by the licensor or the innovator under the agreed terms. The transfer of intellectual property rights can be related to a product or process. In domestic formulations CDMO industry usually licensor transfers the technology for development and manufacturing of the product. In this type of arrangement development costs are borne by the drug marketer. CDMO players uses the technology and manufactures the drug as per the requirement of the drug marketer. CDMO players charge drug marketer the cost of goods sold plus the profit. Profitability in this arrangement depends on the operational and cost efficiencies of the contract manufacturers. The profitability in this arrangement is restricted by scale of operation as CDMO players do not have the intellectual property rights.

Intellectual property owned CDMO operations

In this type of arrangement. Intellectual property related to Product or process is owned by the CDMO players. In this arrangement development costs are borne by the CDMO players. CDMO players develop the molecule which is then commercialized and marketed by the drug marketer. CDMO players charge drug marketer the licensing fee and transfer fees plus profit. The profitability in this type of arrangement is dependent on the scalability of the operations as intellectual property rights are with the CDMO player, the player can supply a product to multiple marketing partners and derive profitability from the scale of operations. Although risk with high capital in R&D can impact the profitability of the players.

CDMO with allied activities

Majority of the CDMO players are going in to the allied business of branded and traded generics as well as exports. Many players are seeking DGCI approval to sell branded and traded generics in India. As India presents big opportunity for branded generics segments, CDMO players are foraying in to branded and traded generics business. This business is operated with owned marketing and distribution networks which includes sales agents, stockiest and retailers. These products are usually marketed prominently in the geographical region in which CDMO player operates. With gained expertise in development and manufacturing of products, these activities has presented CDMO players with the revenue stream.

Competitive landscape in domestic formulations CDMO industry

CDMOs offer services ranging from preclinical and clinical development and commercial manufacturing to pharmaceutical companies. Pharmaceutical companies are continuously looking to mitigate the risks associated with the R&D and reduce the time to market for their products, while simultaneously reducing their development and manufacturing costs. A growing number of specialty and biotech firms now rely on service providers to avoid the high fixed costs of in-house development, investments in building manufacturing capabilities required to drive clinical development and potential commercial manufacturing.

CDMOs are therefore considered as an important and growing part of the pharmaceutical value chain. Though, there has been some consolidation happening in the CDMO industry nevertheless majority of the CDMO market remains fragmented, with only a small number of companies having global scale and reach. The CDMO market in India is competitive and, hence, differentiation is important to remain competitive in the market. Players with differentiated technologies, offering complex manufacturing and having high barriers to entry and higher regulatory compliance enjoy higher growth and higher margins as compared to their peers.

The contract manufacturing market is highly competitive and players have limited bargaining power with customers, which are large pharmaceutical companies. Furthermore, in the absence of long-term sales contracts, some customers may start manufacturing products that achieve critical volume, in-house. Another factor causing increased competition is that a number of companies in Asia, particularly India, have been entering the sectors in which they had little presence, companies have begun obtaining approval from the US FDA for certain of their manufacturing plants and have acquired additional plants in Europe and North America. In addition, in Europe and Asia, there is a large number of privately owned, dedicated outsourcing companies that serve only their local or national markets. Also, large pharmaceutical companies have been seeking to divest portions of their manufacturing capacity, and any such divested businesses may increase competition in CDMO space.

The high quality, cost-efficiency and complexity requirements from both R&D and manufacturing systems together pose a substantial competitive barrier for the unorganized domestic CDMO players. Further, historically, developing the expertise to comply with stringent regulatory audits and validation requirements has been a challenge for both pharmaceutical companies and CDMOs, and has been seen as a significant barrier to entry for many CDMOs, as facilities can take years to construct and properly validate.

CDMOs that can provide customer-centric, high quality, integrated solutions, including niche capabilities, across drug products have been differentiated versus other market players. Moreover, outsourcing has evolved from being a transactional activity to a strategic function. The ability to be aligned with the requirements of customers and their patients supports long term growth of CDMOs and their customers.

Operational overview

Some of the key players across the domestic formulations CDMO segment have been evaluated in this sub-section. These key players operating in Indian CDMO industry have comparable revenue as well as the contract manufacturing service portfolio among them. The following industry players are estimated to derive a majority of their revenue through domestic formulations contract development and manufacturing operations.

Company name	Incorporation date	Registered office location
Akums Drugs and Pharmaceuticals Ltd	2004	New Delhi
Synokem Pharmaceuticals Ltd	1983	New Delhi
Theon Pharmaceuticals Ltd	2005	Chandigarh
Innova Captab Ltd	2005	Mumbai
Windlas Biotech Ltd	2001	Dehradun
Tirupati Medicare Ltd	2005	Delhi

Source: Company annual reports and presentations, Company website, CRISIL Research

Manufacturing facilities

Company name	No of manufacturing facilities	Certifications	Key products/dosages manufactured
Akums Drugs and Pharmaceuticals Ltd	Plant 1	WHO GMP	Tablets, Soft Gelatin Capsules, Hard Gelatin capsule, Sachets
	Plant 2	WHO GMP	Syrups, Suspensions, Drops, Medicinal Jellies
	Plant 3	WHO GMP	Dry Powder Injections, Liquid Injections, Eye/Ear/Nasal Drops, Pre-filled Syringes, Large Volume Parenterals
	Plant 4	WHO GMP	Tablets, Hard Gelatin Capsules, Soft Gelatin Capsules, Liquid Orals, Injectables, Ointments
	Plant 5	WHO GMP	Oinments and cosmetics
	Plant 6	FSSAI	Tablets, Soft Gelatin Capsules, Hard Gelatin, Capsules, Liquid Orals, Powders in Sachet & Jars Diskettes
	Plant 7	WHO GMP	Oral Solid Dosage, Injectables & Dermatology Formulations
	Plant 8	WHO GMP	Oral solids
	Plant 9	WHO GMP	Tablet Hard Gelatin Capsules
Synokem Pharmaceuticals Ltd	Plant 1	WHO GMP	Tablets, Capsules, Oral liquids, Oinment, Gel, Sachets
Theon Pharmaceuticals Ltd	Plant 1*	WHO GMP	Tablets, Capsules, Dry Syrups, Ointments & Sachets
Innova Captab Ltd	Plant 1	WHO GMP	Tablets, Capsules, External preparation
	Plant 2	WHO GMP	Tablets, Capsules ,Dry syrup, Dry injections
	Plant 3	WHO GMP	Tablets, Capsules, Dry syrup, Liquid Oral, Sachets
Windlas Biotech Ltd	Plant 1	WHO GMP	Tablets, Capsules, Liquids
	Plant 2	WHO GMP	Tablets, Capsules, Liquids
	Plant 3	Local FDA	Tablets, Capsules
	Plant 4	WHO c-GMP	Tablets, Capsules
Tirupati Medicare Ltd	Plant 1*	WHO GMP	Tablets, Capsules, oral liquids, oral powders, oils, creams, lotions

Note: WHO-World Health Organization, GMP-Good manufacturing practice

**Company has multiple facilities based out of single location in Himachal Pradesh*

***Company has multiple blocks of manufacturing out of single location in Himachal Pradesh*

Source: Company website, CRISIL Research

Financial Review

Key financials(FY20)	Operating Income (Rs million)	Operating profit margin (%)	Net Profit (Rs million)	Net profit margin (%)	RoCE (%)	Asset turnover ratio (times)	Debt-Equity ratio (times)
Akums Drugs and Pharmaceuticals Ltd	24,142	7.2%	436	1.8%	12.7%	2.5	0.3
Synokem Pharmaceuticals Ltd	4,780	13.4%	435	9.1%	26.8%	4.9	0.3
Theon Pharmaceuticals Ltd*	4,225	9.1%	433	10.2%	31.0%	3.6	0.1
Innova Captab Ltd	3,702	13.2%	259	7.0%	24.6%	3.1	0.5
Windlas Biotech Ltd	3,289	12.4%	225	6.8%	14.4%	2.5	0.1
Tirupati Medicare Ltd	2,343	7.0%	190	8.1%	10.1%	1.8	0.2

Note: Operating profit margin= OPBDIT/Operating income

Net Profit margin=Profit after tax/operating income

RoCE=PBIT/Total debt plus tangible net worth

Asset turnover ratio=operating Income/gross block

Financials for all companies are reported as per IND GAAP accounting standards except for Akums Drugs and Pharmaceuticals Ltd. which has reported its financials as per Ind AS accounting standards

**-FY19 financials as FY20 financials were not available for Theon Pharmaceuticals Ltd*

Financials for Akums Drugs and Pharmaceuticals Ltd are on consolidated basis throughout the analysis

Tirupati Medicare Ltd financials considered at standalone level

Source: Company annual reports, CRISIL Research

- Windlas Biotech Limited is among the top five players in the domestic pharmaceutical formulations CDMO industry in terms of revenue in Fiscal 2020.

- Among the peer set considered, Synokem Pharmaceuticals Limited has the highest operating margin followed by Innova Captab Limited and Windlas Biotech Limited in Fiscal 2020.

- Theon Pharmaceuticals Limited and Synokem Pharmaceuticals Limited have higher RoCE compared to the peers considered; Windlas Biotech Limited with RoCE of 14.4% also has a strong return profile in Fiscal 2020.

- Among the peer set considered, Synokem Pharmaceuticals Limited has the highest asset turnover followed by Theon Pharmaceuticals Limited and Innova Captab Limited; Windlas Biotech Limited also has a strong fixed asset turnover of 2.5 times in Fiscal 2020.

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 20 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 21, 182 and 235, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2018, 2019 and 2020 and for the nine months ended December 31, 2019 and 2020 included herein is derived from the Restated Consolidated Financial Information, included in this Draft Red Herring Prospectus, which have been derived from our audited financial statements and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. For further information, see "Financial Statements" on page 182.

Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to Windlas Biotech Limited on a standalone basis, and references to "the Group", "we", "us", "our", are to Windlas Biotech Limited, its Subsidiary and Joint Venture on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Assessment of the Global and Indian pharmaceuticals industry" dated April 2021 ("**CRISIL Report**"), prepared and issued by CRISIL Research, a division of CRISIL Limited, commissioned by us. Unless otherwise indicated, all financial information of the Company derived from the CRISIL Report and included herein is based on the Indian GAAP audited financial information of the Company for the relevant periods and are therefore not comparable to our Restated Consolidated Financial Information. Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 16.*

Overview

We are amongst the top five players in the domestic pharmaceutical formulations contract development and manufacturing organization ("**CDMO**") industry in India in terms of revenue (*Source: CRISIL Report*). With over two decades of experience in manufacturing both solid and liquid pharmaceutical dosage forms and significant experience in providing specialized capabilities, including, high potency, controlled substances and low-solubility, we provide a comprehensive range of CDMO services ranging from product discovery, product development, licensing and commercial manufacturing of generic products, including complex generics, in compliance with current Good Manufacturing Practices ("**GMP**") with a focus on improved safety, efficacy and cost. In Fiscal 2020, our market share was approximately 1.5% in terms of revenue in the domestic formulations CDMO industry (*Source: CRISIL Report*). In addition to providing services and products in the CDMO market, we also sell our own branded products in the trade generics and OTC markets as well as export generic products to several countries.

The prevalence of chronic diseases in India has been increasing in the last few years, specifically in certain key therapeutic categories, such as, anti-diabetic, cardiovascular, neuropsychiatry and respiratory therapies, that are treated with 'multi-drug therapy' by physicians, *i.e.* the specific use of two or more drugs for single or multiple chronic conditions in an individual. Moreover, multi-drug therapy has gained importance over the past few years in the healthcare sector and is expected to aid the growth of pharmaceutical consumption. (*Source: CRISIL Report*). We have significant experience in developing and manufacturing generic fixed dose combinations. Our focus has currently been on launching new complex generic products in the chronic therapeutic category linked to lifestyle related disorders. Our complex generic products portfolio primarily comprises fixed dosage combinations, fixed dosage plus modified release combinations, customized generics and chewable or dispersible, which has grown from 64.07% in Fiscal 2018 to 68.98% in Fiscal 2020 of our total product portfolio. In the nine months ended December 31, 2020, our complex generic product portfolio comprised 804 products having grown from 661 products in the nine months ended December 31, 2019. Our revenue from the sale of complex generic products amounted to ₹ 2,104.44 million, ₹ 2,048.43 million, ₹ 2,297.28 million, ₹ 1,785.29 million and ₹ 2,106.55 million in Fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2019 and 2020, respectively. The complex generic products market has a high barrier to entry as these products are generally difficult to develop and require special know-how from the development and manufacturing perspective compared to conventional generic products (*Source: CRISIL Report*).

We have three distinct strategic business verticals ("**SBVs**"): (i) CDMO Services and Products; (ii) Domestic Trade Generics and over-the-counter ("**OTC**") Brands; and (iii) Exports.

CDMO Services and Products. Our CDMO Services and Products SBV is focused on providing products and services across a diverse range of pharmaceutical and nutraceutical generic products for Indian and multinational pharmaceutical companies who market such products under their own brand names to the end users. In Fiscal 2020 and the nine months ended December 31, 2020, our CDMO Services and Products SBV accounted for 87.36% and 85.73%, respectively, of our total revenue from operations. Revenues from CDMO Services and Products SBV increased by 23.12% from ₹ 2,233.68 million in the nine months ended December 31, 2019 to ₹ 2,750.07 million in the nine months ended December 31, 2020.

We believe our CDMO customers rely on our customized formulation, development and manufacturing expertise to address the growing drug and therapy complexity, cost pressures and regulatory scrutiny. We partner with many of our CDMO customers early in the drug development process, providing us the opportunity to continue to expand our relationship as molecules progress through the clinical phase and into commercial manufacturing. This results in long-term relationships with our customers and a recurring revenue stream. We believe our range of products and services, reliability and scale addresses our CDMO customers' increasing need to outsource and desire to reduce the number of supply chain partners while maintaining a high quality of product and service. Accordingly, we have developed relationships with various leading Indian pharmaceutical companies, including Pfizer Limited, Sanofi India Limited, Cadila Healthcare Limited/ Zydus Healthcare Limited, Emcure Pharmaceuticals Limited, Eris Lifesciences Limited, Intas Pharmaceuticals Limited and Systopic Laboratories Private Limited. In Fiscal 2020, we provided CDMO services to seven of the top 10 Indian formulations pharmaceutical companies (*Source: CRISIL Report*).

Domestic Trade Generics and OTC Brands. Our Domestic Trade Generics and OTC Brands SBV consists of (i) trade generic products; and (ii) OTC brands, which include nutraceutical and health supplement products that do not require prescription and are marketed, distributed and promoted in India under our own brand names through online and offline channels and majorly manufactured by us. Trade generic products are generic medicines, *i.e.* drugs for which the patents have expired, which are sold directly to the distributor and not marketed through medical representatives, and are typically used as a substitute for more expensive branded generic medicines in order to offer affordable medicines to patients by the retailers and pharmacies (*Source: CRISIL Report*). Our Domestic Trade Generics and OTC Brands SBV accounted for 9.20% and 10.12% of our total revenue from operations in Fiscal 2020 and the nine months ended December 31, 2020, respectively. Our Domestic Trade Generics and OTC Brands SBV has grown at a CAGR of 33.44% from ₹ 169.89 million in Fiscal 2018 to ₹ 302.50 million in Fiscal 2020. In addition, revenues from Domestic Trade Generics and OTC Brands SBV increased by 43.57% from ₹ 226.05 million in the nine months ended December 31, 2019 to ₹ 324.53 million in the nine months ended December 31, 2020

Exports. Our Exports SBV is engaged in identifying high growth markets and opportunities in semi-regulated international markets as well as selected regulated markets, for developing and registering product applications to obtain marketing authorizations for generic medicines and health supplements and subsequently, sell such products to pharmaceutical companies and pharmacies in the respective markets. In Fiscal 2020 and the nine months ended December 31, 2020, our Exports SBV accounted for 3.25% and 3.34%, respectively, of our total revenue from operations. Revenues from Export SBV increased by 26.83% from ₹ 84.57 million in the nine months ended December 31, 2019 to ₹ 107.26 million in the nine months ended December 31, 2020.

Each of our SBVs is supported by a network of R&D laboratories and manufacturing facilities which in turn are supported by various functions, including supply chain, inventory, finance and human resources.

We currently own and operate four manufacturing facilities located at Dehradun in Uttarakhand. As of December 31, 2020, our manufacturing facilities had an aggregate installed operating capacity of 7,063.83 million tablets/ capsules, 54.46 million pouch/ sachet and 61.08 million liquid bottles. In addition, we have recently received a license to manufacture certain APIs at our Dehradun Plant – I, which will help us with backward integration. Our manufacturing facilities are regularly inspected for compliance with current GMP and all of our manufacturing facilities are Schedule M compliant, while our Dehradun Plant – I, Dehradun Plant – II and Dehradun Plant – IV are compliant with standards set by WHO GMP. Our R&D laboratories (which include formulation development, analytical development and chemical research areas)are located at Dehradun Plant - I, and are 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 are led by professional and experienced Promoters and a senior management team with significant expertise in the pharmaceutical industry. Our Promoter, and Whole-time Director, Ashok Kumar Windlass, has over 20 years of experience in the manufacturing and pharmaceutical business in India, while Hitesh Windlass, our Promoter and Managing Director, helped with regards to the strategic, corporate and technical operations, and Manoj Kumar Windlass, our Promoter and Joint Managing Director, helped in the commercial operations of our Company. We leverage the experience of our Individual Promoters and senior management team to anticipate and address market trends, manage and grow our operations, maintain and leverage customer relationships and respond to changes in customer preferences.

Our business has grown organically, as reflected in a consistent increase in revenues and profitability, and our long-term CDMO service agreements with customers results in predictable and stable cash flows. Our revenue from operations was ₹ 3,523.69 million, ₹ 3,072.67 million and ₹ 3,288.52 million in Fiscals 2018, 2019 and 2020, respectively, while our PAT margin (*i.e.* profit for the period/ year before exceptional items divided by revenue from operations) was 3.18%, 4.65% and 4.93%, respectively, in the same periods. In Fiscals 2018, 2019 and 2020, our EBITDA amounted to ₹ 394.58 million, ₹ 377.41 million and ₹ 340.00 million, respectively. As of March 31, 2018, 2019, 2020, and December 31, 2019 and 2020, our ROCE was 15.53%, 15.86%, 12.04%, 11.15%, and 16.70%, respectively. Although the ongoing COVID-19 pandemic has significantly affected the global economy, as we are engaged in production of essential goods in the form of pharmaceutical products, we were not required to cease our operations during the COVID-19 pandemic. Despite limited availability of labour, logistics and supply chain constraints, compelling us to operate at limited capacity levels in April and May 2020, our revenue from operations increased by 25.87% from ₹ 2,548.68 million in the nine months ended December 31, 2019 to ₹ 3,207.93 million in the nine months ended December 31, 2020, while our PAT margin (*i.e.* profit for the period/ year before exceptional items divided by revenue from operations) increased from 6.18% in the nine months ended December 31, 2019 to 9.75% in the nine months

ended December 31, 2020. In addition, our EBITDA increased by 47.04% from ₹ 295.18 million in the nine months ended December 31, 2019 to ₹ 434.03 million in the nine months ended December 31, 2020.

Strengths

Leading CDMO in India with a focus on the chronic therapeutic category

We are amongst the top five players in the domestic pharmaceutical formulations CDMOs in terms of revenue. With increasing globalization and focus of large pharmaceutical players on cutting costs and optimizing operations, CDMOs have seen significant acceptance in the pharmaceutical industry internationally over the last few years. Moreover, with the growing demand for generic medicines and biologics, focus on reducing time to market, the capital-intensive nature of the business, and the complex manufacturing requirements, many pharmaceutical companies have identified the potential profitability in contracting with contract manufacturing and outsourcing for formulation manufacturing. In particular, pharmaceutical companies are increasingly outsourcing development and manufacturing of new products, and as a result, the domestic formulations CDMO market has grown at a higher rate of approximately 13% compared to the growth rate of approximately 8.6% of the domestic formulations market (in terms of consumption) in the past five years. (*Source: CRISIL Report*). We believe this increasing use of outsourcing by pharmaceutical companies for launch of new products is resulting in higher growth in the CDMO market and thereby, creating opportunities for us. In Fiscals 2018, 2019 and 2020 and in the nine months ended December 31, 2019 and 2020, the revenues from our CDMO Services and Products SBV amounted to ₹ 2,991.53 million, ₹ 2,572.62 million, ₹ 2,872.94 million, ₹ 2,233.68 million and ₹ 2,750.07 million, respectively, accounting for 84.90%, 83.73%, 87.36%, 87.64% and 85.73%, respectively, of our total revenue from operations in such periods. Our market share was approximately 1.5% in terms of revenue in the domestic formulations CDMO industry in Fiscal 2020 (*Source: CRISIL Report*). We believe that we bring valuable therapeutic options for patients, prescribers and eventual payers (where insurance reimbursement is available to patients), particularly in the chronic therapeutic category linked to lifestyle related disorders market.

The prevalence of chronic diseases has been significantly increasing in the last few years. Changes in lifestyle and food habits, aided by higher disposable income, rising pollution levels have all contributed to an unprecedented increase in chronic diseases in the cardiovascular system (such as, hypertension and congestive heart failure), metabolic system (such as, diabetes), central nervous system (such as, depression and anxiety), respiratory system (such as, asthma, allergic rhinitis and bronchitis) and various other essential biological systems. Chronic therapeutic category refers to drugs used for treatment of such diseases for an extended treatment as opposed to acute therapeutic category for which the drug is consumed for a shorter or a limited period (typically less than three weeks). The chronic therapeutic category has been growing at a CAGR of approximately 10% between Fiscal 2016 and Fiscal 2020, and has outperformed overall domestic formulations market (in terms of consumption), which grew at a CAGR of approximately 8.6% during the same periods. (*Source: CRISIL Report*) Accordingly, chronic therapeutics remains our key focus area and revenue from the sale of products in the chronic segment (including sub-chronic) amounted to ₹ 1,661.57 million, ₹ 1,573.12 million, ₹ 1,540.02 million, ₹1,231.58 million and ₹ 1,854.29 million in Fiscals 2018, 2019 and 2020, and the nine months ended December 31, 2019 and 2020, respectively. Further, this segment is expected to see a higher growth compared to acute therapeutic segment, and is projected to grow at a CAGR of 16% to 18%, while the acute segment is projected to grow at a CAGR of 11% to 13% between Fiscal 2020 to Fiscal 2025 (*Source: CRISIL Report*). In addition, the chronic segment typically provides for higher margins in comparison to the acute segment (*Source: CRISIL Report*). Our number of products in the chronic segment (including sub-chronic) have increased from 558 in Fiscal 2018 to 624 in Fiscal 2020, and from 582 in the nine months ended December 31, 2019 to 766 in the nine months ended December 31, 2020.

Within the chronic segment, anti-diabetic, cardiovascular, neuro and respiratory therapies are expected to grow at a CAGR of approximately 20%, 12%, 12% and 10%, respectively, from Fiscal 2020 to Fiscal 2025. Moreover, the anti-diabetic and cardiovascular therapeutic areas are expected to account for 14%-15% and 13%-14%, respectively, of the total domestic formulations market (therapy-wise) in Fiscal 2025. In addition, anti-diabetics and cardiac therapies are expected to account for approximately 27% and 16%, respectively, of the domestic formulations CDMO market in Fiscal 2025. Majority of the therapies for the diseases in the chronic segment area involve multiple organs and systems, and are treated with 'multi-drug therapy' by physicians. Further, in the Indian market, particularly where 'multi-drug' therapy is required, very few CDMOs have the required specialized teams and rapid prototyping capabilities to develop and manufacture new such 'multi-drug'/ fixed dose combination products. (*Source: CRISIL Report*) We have significant experience in developing and manufacturing such fixed dose combinations. For instance, we launched (i) a generic fixed dose combination of sustained release Metformin and immediate release Gliptins, such as Teneligliptin and Vildagliptin, in varying dosages for Metformin resistant diabetic patients; and (ii) a generic fixed dose combination of delayed release Rabeprazole with sustained release levosulpiride for patients suffering from stress related acid reflux. We are also specifically working with certain of our CDMO customers to develop products in these high growth and key therapeutic areas. Our focus on chronic therapeutic category linked to lifestyle related disorders will provide us the opportunity to capitalize on the faster growth intrinsic to these therapeutic segments.

Innovative portfolio of complex generic products supported by robust R&D capabilities

Complex generic products are generic products that have technical complexity in (i) manufacturing or handling of the active ingredient; or (ii) formulation; or (iii) route of delivery; or (iv) pairing with a device to make a drug-device combo (*Source: CRISIL Report*). We are focused on developing and launching new complex generic products, particularly those related to the formulation manufacturing process and drug delivery. We manufacture both solid and liquid pharmaceutical dosage forms and provide specialized capabilities that our customers are seeking, including, high potency, controlled substances and low-

solubility products. Complex generic products are hybrid drugs whose authorization depends partly on the results of the tests on the reference medicine and partly on new data from clinical trials and are expected to have same clinical effect and safety profile as the branded drugs (*Source: CRISIL Report*). Complex generic drugs and 'value-added generics' enable the manufacturers and marketeers to provide a differentiated product to the market with improved safety, efficacy and cost (*Source: CRISIL Report*). 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. Further, the development and manufacturing of complex generic products typically involves a higher degree of expertise/ trained manpower and also utilizes higher overall process times which is also reflected higher margins in comparison to conventional products (*Source: CRISIL Report*). In addition, the manufacturing of complex generics provides for higher profitability owing to limited competition with presence of only a few players (*Source: CRISIL Report*). Our complex generic products portfolio primarily comprises fixed dosage combinations, fixed dosage plus modified release combinations, customized generics and chewable or dispersible, which has grown from 64.07% in Fiscal 2018 to 68.98% in Fiscal 2020 of our total product portfolio. In the nine months ended December 31, 2020, our complex generic product portfolio comprised 804 products having grown from 661 products in the nine months ended December 31, 2019.

Our R&D and innovation capabilities focus on (i) creating novel formulations of existing molecules aimed towards improving patients benefit through reduction of 'pill burden' or improvement of organoleptic features of the product; (ii) launching low cost 'first-to-launch'generic products in the market, *i.e.* launching immediately after the patent expiry of products, and (iii) creating new delivery mechanism of an approved drug (for the same or different indication) or combining it with a diagnostic device to bring a 'novel therapy' to the market that significantly improves treatment cost or safety/ side-effects profile of the drug. For instance, for improving patient benefit, we developed (i) chocolate flavored chewable tablets of microencapsulated iron and vitamin tablets; (ii) dispersible tablets, such as Ivermectin and Clonazepam; and (iii) sustained release products, such as, Rabeprazole Sodium, Glimepiride and combinations that replace several pills with one pill in a 'multi-drug therapy'. Further, in relation to 'first-to-launch' generic products, we launched Vildagliptin within two days of its patent expiry. In addition, in relation to the drug and device combination products, we recently launched a lung therapy food supplement and telemedicine support for respiratory wellness in India under the brand *PulmoHeal™* in partnership with a United States oncology company, which is an anti-inflammatory nutraceutical health supplement approved by the Food Safety and Standards Authority of India.

Our R&D laboratories (which include formulation development, analytical development and chemical research areas) are located at Dehradun Plant - I, and are recognized as an in-house R&D unit by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. As of December 31, 2020, we have a team of 40 experts in medical affairs, regulatory affairs, pharmacology and chemical research that works to identify ideas of complex generic products that create value at the end users' level by improving the efficacy, safety and cost of existing generics. Our research and development expenses has grown at a CAGR of 25.54% from ₹ 19.58 million in Fiscal 2018 to ₹ 38.74 million in Fiscal 2020 and amounted to ₹ 24.94 million in the nine months ended December 31, 2020. In addition, as of December 31, 2020, our Company had obtained the license to manufacture 3,125 products from the State Drug Licensing Authority, Drug Controlling and Licensing Authority (Manufacturing), Garhwal Mandal, Uttarakhand.

Efficient and quality compliant manufacturing facilities with significant entry barriers

We currently own and operate four manufacturing facilities located at Dehradun in Uttarakhand. As of December 31, 2020, our manufacturing facilities had an aggregate installed operating capacity of 7,063.83 million tablets/ capsules, 54.46 million pouch/ sachet and 61.08 million liquid bottles. We continuously aim to improve cost-efficiencies and increase productivity in our operations through use of automation in process equipment as well as use of software in capacity and resource planning and minimization of waste. We have a strong fixed asset turnover (*Source CRISIL Report*) underscoring our commitment to operationalizing our manufacturing facilities in a timely and cost efficient manner. As of December 31, 2020, our gross block of fixed assets (tangible and intangible assets including capital work-in-progress) was ₹ 1,511.04 million. We have also made significant investments in quality management systems and have moved from a 'paper-based' approach to 'electronic-based' systems in manufacturing and quality controls as well as validation activities which enable us to undertake data analytics and track product level information across the different facilities and teams. Our focus on quality and continuous improvement is evident from the fact that for every three individuals in our manufacturing operations, we have one quality staff, as of December 31, 2020.

The high quality, cost-efficiency and complexity requirements from both R&D and manufacturing systems together pose a substantial competitive barrier for the unorganized domestic CDMO players. Further, historically, developing the expertise to comply with stringent regulatory audits and validation requirements has been a challenge for both pharmaceutical companies and CDMOs, and has been seen as a significant barrier to entry for many CDMOs, as facilities can take years to construct and properly validate. In addition, the Indian CDMO industry is highly fragmented with only few organized domestic CDMO players having WHO GMP compliant manufacturing capabilities along with sophisticated and modern technology and data analytics capabilities. (*Source: CRISIL Report*) Our manufacturing facilities are regularly inspected for compliance with current GMP and all of our manufacturing facilities are Schedule M of the Drugs and Cosmetic Act, 1940 ("**Schedule M**") compliant. Further, our Dehradun Plant – I, Dehradun Plant – II and Dehradun Plant – IV are also compliant with standards set by WHO GMP. We operate our manufacturing facilities to the standards that conform to with the requirements of our multinational customers, who have routinely conduct audits at our manufacturing facilities to ensure consistent quality standards.

Strong and long-term relationships with leading Indian pharmaceutical companies

We have developed relationships with leading Indian pharmaceutical companies, including Pfizer Limited, Sanofi India Limited, Cadila Healthcare Limited/ Zydus Healthcare Limited, Emcure Pharmaceuticals Limited, Eris Lifesciences Limited, Intas Pharmaceuticals Limited and Systopic Laboratories Private Limited. Our operational track record in successful delivery of products, responsiveness, dosage innovation, complex generic product development, quality and technical standards, turnaround times, and productivity has facilitated the strengthening of our customer base and helped us in expanding our product and service offerings as well as geographic reach. The number of domestic CDMO customers that we have catered to have increased from 92 in Fiscal 2018 to 143 in Fiscal 2020, and was 171 in the nine months ended December 31, 2020. In Fiscal 2020, we provided CDMO services to seven of the top 10 Indian formulations pharmaceutical companies (*Source: CRISIL Report*).

Over the years, we have invested in specialized services and equipment and dedicated infrastructure to support our customers' growing needs. Our ability to make these investments helps strengthen trust and engagement with our customers, which enhances our ability to retain them and extend our engagement. As result, we have a history of high customer retention and as of December 31, 2020, we have been associated with (i) Systopic Laboratories Private Limited for 19 years and four months; (ii) Win-Medicare Private Limited for approximately 19 years; (iii) Eris Lifesciences Limited for approximately 12 years; (iv) Intas Pharmaceuticals Limited for 11 years and eight months; (v) Lincoln Pharmaceuticals Limited for 11 years; and (vi) Cadila Healthcare Limited/ Zydus Healthcare Limitedfor nine years and five months. We are also the exclusive supplier of certain products to Wallace Pharmaceuticals Private Limited, Intas Pharmaceuticals Limited, Systopic Laboratories Private Limited, Vestige Marketing Private Limited and Lincoln Pharmaceuticals Limited.

Our CDMO agreements are typically long-term in nature where the validity of the contract ranges between two to five years, with the option of renewal on mutually agreed terms. We derive a significant proportion of our revenue from such long-term agreements with customers. Revenue generated from sales to our top 10 customers represented 60.47%, 57.01%, 57.14%, 58.01% and 56.82% of our revenue from operations in Fiscals 2018, 2019 and 2020, and in the nine months ended December 31, 2019 and 2020, respectively. Our long-term relationships and ongoing active engagements with customers also allow us to plan our capital expenditure, enhance our ability to benefit from increasing economies of scale with stronger purchasing power for raw materials and a lower cost base, thereby ensuring a competitive cost structure to achieve sustainable growth and profitability.

Consistent track record of financial performance

Typically Indian pharmaceutical companies as well as multinational companies that engage in outsourcing for discovery and development are looking for a long-term engagement where a CDMO partner can support them through the entire process (*Source: CRISIL Report*). We believe that we have the financial stability and operational cash flows to enable the extension of our services and products in line with the needs of our customers through the entire process. Our long-term CDMO agreements and customer relationships have minimized our exposure to payment defaults by customers, and resulted in predictable and stable cash flows. Accordingly, we have demonstrated consistent growth in terms of revenues and profitability. Our revenue from operations and EBITDA amounted to ₹ 3,288.52 million and ₹ 340.00 million, respectively, in Fiscal 2020, and ₹ 3,207.93 million, ₹ 353.05 million and ₹ 434.03 million, respectively, in the nine months ended December 31, 2020. In addition, it may be noted that we have been able to continue our growth despite the operating restrictions/ lockdown imposed on account of the COVID-19 pandemic, and our revenue from operations increased by 25.87% from ₹ 2,548.68 million in the nine months ended December 31, 2019 to ₹ 3,207.93 million in the nine months ended December 31, 2020. EBITDA also increased by 47.04% from ₹ 295.18 million in the nine months ended December 31, 2019 to ₹ 434.03 million in the nine months ended December 31, 2020.

We have received [ICRA]A (Stable) and [ICRA]A1 rating from ICRA. As of March 31, 2020 and December 31, 2020, our Total Debt/ Equity ratio was 0.13 and 0.12, respectively, and ROCE was 12.04% and 16.70%, respectively. We have consistently experienced an improvement in our PAT margin (*i.e.* profit for the period/ year before exceptional items divided by revenue from operations) from 3.18% in Fiscal 2018 to 4.93% in Fiscal 2020 and from 6.18% in the nine months ended December 31, 2019 to 9.75% in the nine months ended December 31, 2020, on account of cost rationalization strategies, increased focus on complex generic products in the chronic therapeutic category.

Experienced Promoters and senior management with a professional and technically qualified team

We are led by professional and experienced Promoters and a senior management team with significant expertise in the pharmaceutical industry. Our Promoter and Whole-time Director, Ashok Kumar Windlass, has been associated with our Company since its inception in 2001 and has over 20 years of experience in the manufacturing and pharmaceutical business in India and continues to play a significant role in the administration, legal and engineering functions of our group. Ashok Kumar Windlass is also the Chairman of the Confederation of Indian Industries - Uttarakhand State Council. Hitesh Windlass, our Promoter and Managing Director, plays a significant role in driving the technical operations, quality, R&D, manufacturing strategy and financial strategy of our group, and Manoj Kumar Windlass, our Promoter and Joint Managing Director, plays a significant role in driving the product portfolio decisions and overall commercial operations including business development, supply chain and procurement.

Our senior management team includes experienced senior executives, many of whom have been with us for over 10 years. Their industry experience enables us to anticipate and address market trends, manage and grow our operations, maintain and

leverage customer relationships and respond to changes in customer preferences. For further information, see "*Our Management*" on page 159. Our senior management team that includes, Komal Gupta, CFO, has been associated with our Company since 2015, Mohammed Aslam, Vice President of Sales and Marketing, has been with us since 2008, Om Prakash Sule, our Site Quality Head has 24 years of experience in the field of pharmaceutical industry. We will continue to leverage on the experience of our management team and their understanding of the pharmaceuticals. In addition, we are supported by our technically qualified employee team who possess a range of qualifications, including scientific, pharmacy post graduate and graduate. Our employee base has been growing consistently over the years and we had 954 permanent employees, as of December 31, 2020. Our position as one of the leading CDMO represents a significant competitive advantage in attracting and retaining high-quality scientists required to successfully differentiate our service and product offerings from those of other CDMOs and diversify into other business verticals, such as Domestic Trade Generics and OTC Brands, and Exports SBVs.

Strategies

Capitalize on expansion opportunities by leveraging our leadership position in the CDMO industry

The global formulations outsourcing market is expected to reach US$ 28 billion to US$ 32 billion by 2025 owing to robust growth in the outsourcing segment aided by many large pharmaceutical players outsourcing their research and manufacturing to specialized contract manufacturing players. In particular, the domestic formulations CDMO is projected to grow at a CAGR of approximately 14% while domestic formulations segment is expected to grow at a CAGR of approximately 11% between Fiscal 2020 and Fiscal 2025. The key drivers for growth in the CDMO industry include growth of asset light pharmaceutical companies, increasing cost awareness and manufacturing efficiency, growing focus on product/ packaging innovation, CDMO's enabling customer's end market aspirations through combinations products and new dosages, end-to-end service, time to market, maintaining margins, increasing generics and institutionalization of pharmaceutical industry, regulatory changes and increasing economies of scale shifting CDMO identity from 'supplier' to 'partner' status. (*Source: CRISIL Report*) We believe the increasing use of outsourcing by pharmaceutical companies is creating opportunities for us and we intend to capitalize on such opportunities by leveraging our customer relationships, R&D and innovation capabilities, efficient and quality compliant manufacturing facility along with our leadership position in the CDMO industry.

Our customers are increasingly seeking complex drug formulations and delivery technologies that exceed/ supplement their own in-house capabilities. In addition, the highly customizable services we provide throughout the product life cycle afford us significant opportunities to respond to growing customer demand for supply chain simplicity, development and manufacturing speed, and quality. We have also aligned our sales, marketing and management functions to cross-sell the breadth of our capabilities and market our products and service offerings. We believe this strategy will continue to drive business across all customer segments, and represent a high-margin growth opportunity. Further, the Government of India has approved the Production Linked Incentive ("**PLI**") scheme for pharmaceuticals for Fiscal 2021 to Fiscal 2029, which is expected to promote innovation for development of complex and high-tech products, including products of emerging therapies as well as improve accessibility and affordability of medical products (*Source: CRISIL Report*). In addition, the 'China plus one' strategy, resulting in a number of multinationals undertaking proactive steps to reduce dependence on China for their manufacturing operations and looking at India as an alternative options, provides the opportunity for manufacturers in India, including domestic formulations focused CDMOs, to capture a larger market share (*Source: CRISIL Report*).

Continue to grow our CDMO customer base

In Fiscal 2020, 31% to 33% of the total domestic formulations market was catered by CDMOs, which is anticipated to grow to ₹ 370 billion to 410 billion in terms of value by Fiscal 2025. The trend is unequivocal evidence of the pharmaceutical industry leaning towards CDMO. Further, a large number of customers require deeper product solutions around better products and patient compliance (*Source: CRISIL Report*). Moreover, being among the few players with wide range of CDMO offering in the pharmaceutical segment in India (*Source: CRISIL Report*) and having experience in providing customer-centric additive manufacturing solutions, we believe we are well placed to capture this growth opportunity and expand our customer base. Further, we believe the increasing use of outsourcing by pharmaceutical companies is creating opportunities for us to further strengthen relationships with our customers. The number of domestic CDMO customers that we have catered to have increased from 92 in Fiscal 2018 to 143 in Fiscal 2020, and were 171 in the nine months ended December 31, 2020. In particular, the generics pharmaceutical industry has been significantly growing at CAGR of approximately 7% in value terms between Fiscal 2016 and Fiscal 2020 in India (*Source: CRISIL Report*), and we have and intend to continue to offer our CDMO services and products to such generics drug manufacturers.

Further, the recent amendments to the Medical Devices Rules, 2017 and the Drugs and Cosmetics Rules, 1945 (Rules) have increased the liability for 'marketeers' by making them also responsible, in addition to the actual manufacturer, for the quality of the drug as well as regulatory compliances. (*Source: CRISIL Report*) This also provides us with an opportunity to increase our customer base since customers will, due to such amendments, actively partner with CDMO who have high quality and regulatory compliant manufacturing capabilities. We also intend to target regional pharmaceutical companies and e-pharmacies to offer our customized service offerings in order to develop products catering to their specific requirements. In addition, we have formed a business development team with the objective of apprising our customers or prospective customers of our new innovative products and collecting market information, such as, technological advancements and existing competition, in order to assess the viability of our products in the market as well as maintaining and developing relationships with our customers and prospective customers.

Expand our product portfolio and delivery systems by enhancing R&D and manufacturing capabilities

Pharmaceutical companies are outsourcing R&D activities to academic and private contract research organizations to reduce drug development timelines and costs (*Source: CRISIL Report*). Moreover, in terms of dosages, outsourcing of development and manufacturing of solid dosages and liquids is estimated to have major share between 2021 and 2025 (*Source: CRISIL Report*). Our R&D efforts are primarily focused on expanding and diversifying our product and delivery system offerings in order to cater to different therapeutic segments. We have and continue to focus on expanding our product development and manufacturing capabilities in complex generic products by developing products, including, (i) alternate dosages, such as, medicated mouth sprays; (ii) coating technologies, including, pellet coating using bottom spray, API coating, pH dependent coating and nanonized crystals; (iii) nutraceuticals dosages, including, biscuits, protein powder, supplements, chocolate bars and malt based foods; and (iv) ayurvedic products, such as, wellness products, hair oils and cough syrups. We have also entered into grant-in-aid letter agreements with Biotechnology Industry Research Assistance Council and National Institute of Pharmaceutical Education and Research, S.A.S. Nagar ("**NIPER**") in Mohali for funding of projects titled (i) 'Clinical evaluation of formulations based on NanoCrySP technology'; and (ii) 'Enhancement of oral bioavailability of poorly water soluble drugs using NanoCrySP* technology. *A patented nanocrystalline solid dispersion (NSD) technology platform developed at NIPER', for funding under Biotechnology Industry Partnership Programme. We will continue to identify, develop and launch new products and delivery systems from our pipeline to meet market needs and capture growth opportunities to sustain our revenue growth and profitability.

We also intend to utilize our R&D efforts to target select products which are currently under patent protection. Patents in relation to approximately 150 key products are likely to expire by Fiscal 2026 and are expected to offer a significant growth opportunity to CDMO in India (*Source: CRISIL Report*). Moreover, generic pharmaceutical companies in particular tend to improve their market position by being the first in the market when a patent on an original product expires as research on the patents to be expired happen months before even the patent is expired (*Source: CRISIL Report*). Our strategy is to enhance our manufacturing capabilities and align our R&D efforts, prior to the expiry of the relevant patents in India, in order for us to commence developing these products for our customers and/ or launch branded prescription generics of these products as soon as these patents expire in India. Further, our capacity utilization of 39.88%, 4.48% and 46.28% for tables/ capsules, pouch/ sachet and liquid bottles, respectively, in the nine months ended December 31, 2020, highlights that we have the necessary capacity to cater to the opportunities presented by such patent expiry. We have also recently received a licence to manufacture certain APIs at our Dehradun Plant – I, which will help us with backward integration, and intend to continue to invest in improving cost efficiency and faster time to market of key APIs to help us achieve 'first-to-market' milestones for upcoming patent expired APIs. We believe that this continuous focus on operational efficiency will drive margin improvements and support robust revenue growth through launch of new products, which should result in significant operating leverage.

Focus on the Domestic Trade Generics and OTC Brands SBV and high growth export markets by capitalizing on industry opportunities

We commenced our Domestic Trade Generics and OTC Brands SBV wherein we market, distribute and promote trade generic products and OTC brands (majority of which are manufactured by us) under our own brand names, with a strategic intention to capitalize on the market opportunity presented by India's unmet need of affordable and quality medicines to the large number of semi-urban and rural locations of India. In Fiscals 2018, 2019 and 2020 and in the nine months ended December 31, 2019 and 2020, revenue from our Domestic Trade Generics and OTC Brands SBV amounted to ₹ 169.89 million, ₹ 271.66 million, ₹ 302.50 million, ₹ 226.05 million and ₹ 324.53 million, respectively, accounting for 4.82%, 8.84%, 9.20%, 8.87% and 10.12%, respectively, of our total revenue from operations in such periods. Our distribution channel, which involves directly working with over 850 stockists and distributors, as of December 31, 2020, which has grown from over 400 stockists and distributors, as of March 31, 2018, has helped us penetrate into the relatively smaller towns and villages in the semi-urban and rural parts of India, wherein our stockist schemes encourages retail pharmacies to market our trade generic products and OTC brands, while passing some of the scheme benefits to the patients end-users and customers. We intend to continue to increase our Domestic Trade Generics and OTC Brands SBV product portfolio as well as our geographic reach by adding newer stockist locations.

The Indian trade generics industry is expected to grow at a CAGR of 8.2% to 9.2% in the next five years on account of Government initiatives and awareness for low cost trade generics and is expected to reach ₹ 31.5 billion to ₹ 32.5 billion by Fiscal 2025. Further, the Government of India introduced the Pradhan Mantri Bhartiya Janaushadhi Pariyojana ("**PMBJP**") scheme to sell low-cost, unbranded, but quality medicines to all citizens through stores called 'Jan Aushadhi Kendras'. The sales of medicines under the PMBJP scheme have grown at a CAGR of approximately 124% between Fiscal 2015 and Fiscal 2020 and are expected to reach ₹ 6 billion in Fiscal 2021. In addition, 'Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana' ("**AB-PMJAY**") is the largest health assurance scheme in the world, which aims at providing a health cover of ₹ 0.5 million per family per year for secondary and tertiary care hospitalization to over 107.4 million poor and vulnerable families (approximately 500 million beneficiaries). AB-PMJAY is expected to provide volume momentum to the healthcare sector and rising lifestyle diseases and growth in insurance penetration, primarily on account of AB-PMJAY, would aid demand for the pharmaceutical sector in the long term. (*Source: CRISIL Report*) We believe that this institutional segment presents an attractive opportunity for growth due to its high volumes, high new prescription generation and focus on affordability and quality. We have recently commenced participating in competitive tender process for supply of our products to various government agencies, and have received seven tenders, as of December 31, 2020. We intend to build relationships with institutional partners as well as continue bidding for government contracts. In addition, we also propose to market our finished formulations to institutions, such as, hospitals and corporate chains, by leveraging our network of distributors.

Although, the COVID-19 pandemic has caused logistic and demand disruption internationally, India's formulation exports have strongly grown by approximately 18% from the nine months ended December 31, 2019 compared to the nine months ended

December 31, 2020. India's formulations exports to semi-regulated markets, *i.e.* markets having less-developed regulatory frameworks and include Africa, Latin America, Asia, the Middle East and the rest of Europe comprising Russia and Ukraine, are expected to register a CAGR of 13% to 14% over the next five years to reach approximately US$ 13.1 billion in Fiscal 2025, as players focus on growth opportunities in newer markets with low generic penetration. Further, the demand for the treatment of chronic diseases will increase generics off-take due to limited budgets and high out-of-pocket expenditure in the semi-regulated markets. In addition, several developing Asian countries, which are semi-regulated, do not have domestic capacities to manufacture pharmaceutical products and with the increasing awareness for healthcare and similar disease profile to that of India, Indian pharmaceutical players have an opportunity to capitalize these semi-regulated markets. Moreover, the Indian players exporting to these countries have cost efficiencies and skills to cater to these semi-regulated markets. (*Source: CRISIL Report*) Our Exports SBV is a long-term growth proposition and we intend to primarily focus on the under-served and semi-regulated markets as well as certain selected regulated markets. Accordingly, we intend to target the Pharmaceutical Inspection Co-operation Scheme markets across Africa and Asia. As of December 31, 2020, our Company had obtained 59 product marketing authorizations across various export markets, such as, Cambodia, Ivory Coast, Philippines, Thailand, Vietnam, Myanmar and Sri Lanka. We will continue to evaluate new product opportunities leveraging the local market knowledge of our partners and initiate the process of developing and registering product applications to obtain marketing authorizations and development of products focused on such local market if we identify viable market opportunities and demand.

Foray into high growth injectables segment

The domestic injectables CDMO industry is expected to grow at a CAGR of 11.5% to 12.5% between Fiscal 2020 to Fiscal 2025 on account of growth in chronic therapeutic areas, such as, anti-diabetic and oncology, and strong demand from outsourcing for these therapeutic segments by the large pharmaceutical companies. The domestic injectables CDMO industry is expected to reach ₹ 49 billion to ₹ 53 billion by Fiscal 2025. Moreover, the injectables segment is expected to account for 12% to 13% of all the dosage forms in the domestic formulations market and 13.2% to 14.2% of the domestic formulations CDMO market (dosage-wise) in Fiscal 2025. Further, the margin for contract manufacturers in the injectables segment are more robust as there are fixed contracts for the development and manufacturing of the drugs and there are no selling and general costs for the contract manufacturers. In addition, India is a preferred outsourcing destination for injectables and has potential injectable contract manufacturing players with regulatory approved facilities capable of exporting to developed markets. (*Source: CRISIL Report*) Accordingly, we propose to utilize ₹ 500.00 million of our Net Proceeds towards capital expenditure for capacity expansion of our existing manufacturing facility at Dehradun Plant – IV and setting up of an injectables dosage capability at our existing facility at Dehradun Plant-II. For further information, see "*Objects of the Offer*" on page 80. We believe that our proposed injectables business will complement our existing CDMO offerings and enable us to achieve higher margins. Further, the business to business model also allows opportunity for scaling up operations as the players can specialize in particular molecule and have supply contracts with multiple injectables marketing players (*Source: CRISIL Report*). We intend to particularly focus on specializing in developing liquid vials and lyophilized vials.

Selectively pursue strategic investments and acquisitions

We intend to augment our organic growth by pursuing selective acquisitions and strategic alliances that provide us access to better infrastructure, high-value technological and operational capabilities, industry knowledge, technology expertise and geographical reach and allow us to expand our product offerings and customer base. We may consider select acquisition opportunities such as acquiring divisions of existing companies to selectively expand our product portfolio, provided such opportunities offer the synergies we seek and are available at competitive prices.

The domestic formulations industry is highly fragmented in terms of both, number of manufacturers and products, with 300 to 400 organised players and approximately 15,000 unorganised players. Contract manufacturing is also characterized by high fragmentation and competition, with large number of organized and unorganized players. In addition, expanding through the inorganic route is beneficial for the CDMOs as it increases their customer base and projects as well as provides an opportunity to cross sell. Consolidation in the CDMO fragmented industry is expected to gain traction due to the need to provide better and wider portfolio of services. (*Source: CRISIL Report*) We intend to be an active consolidator of the fragmented CDMO industry to complement our organic growth strategy. We believe such acquisitions will support our long-term strategy, strengthen our competitive position, particularly in acquiring technical expertise and provide greater scale to grow our earnings and increase shareholder value.

Our Businesses

We have three distinct SBVs: (i) CDMO Services and Products; (ii) Domestic Trade Generics and OTC Brands SBV; and (iii) Exports.

The following table sets forth the revenue from operations contributed by each of our SBV and the percentage of our total revenue from operations for the periods indicated:

SBVs	Fiscal 2018		Fiscal 2019		Fiscal 2020	
	Revenue from Operations	As % of Total Revenue from Operations	Revenue from Operations	As % of Total Revenue from Operations	Revenue from Operations	As % of Total Revenue from Operations
	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)
CDMO services and products	2,991.53	84.90%	2,572.62	83.73%	2,872.94	87.36%
Domestic Trade Generics and OTC Brands	169.89	4.82%	271.66	8.84%	302.50	9.20%
Exports	210.73	5.98%	182.25	5.93%	106.88	3.25%
Total*	**3,372.15**	**95.70%**	**3,026.53**	**98.50%**	**3,282.33**	**99.81%**

**Total excludes sales of services.*

SBVs	Nine months ended December 31, 2019		Nine months ended December 31, 2020	
	Revenue from Operations	As % of Total Revenue from Operations	Revenue from Operations	As % of Total Revenue from Operations
	(₹ million)	(%)	(₹ million)	(%)
CDMO services and products	2,233.68	87.64%	2,750.07	85.73%
Domestic Trade Generics and OTC Brands	226.05	8.87%	324.53	10.12%
Exports	84.57	3.32%	107.26	3.34%
Total*	**2,544.30**	**99.83%**	**3,181.86**	**99.19%**

**Total excludes sales of services.*

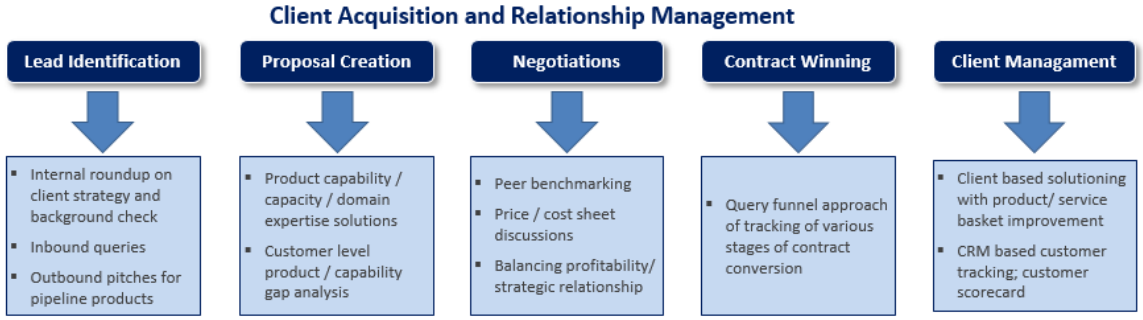
A brief description of each of our SBVs are as follows:

CDMO Services and Products SBV

We are primarily a formulations CDMO in the Indian pharmaceutical industry focused on providing a comprehensive range of CDMO services and products ranging from product discovery, product development, licensing and commercial manufacturing of generic products, including complex generic products, in compliance with current GMP. Our CDMO Services and Products SBV is focused on providing products and services across a diverse range of pharmaceutical and nutraceutical conventional and novel products for customers who market such products under their own brand names to the end users.

Our CDMO agreements are typically long-term in nature where the validity of the contract ranges between two to five years, with the option of renewal on mutually agreed terms. Our CDMO agreements with our customers typically (i) provide that the quality, quantity and specifications for the products shall be approved by the customer and be in accordance with the requirements specified in the relevant agreements, and in certain cases the specifications may be mutually agreed upon between the customer and us; (ii) require us to be responsible for the procurement of raw materials and packaging materials in accordance with the specifications provided by the customer and in certain cases, the vendor shall be approved by the customer or mutually agreed upon between the customer and us; and (iii) provide that the pricing and supply terms shall be mutually agreed upon between the customer and us, and in accordance with the purchase orders placed. In addition, certain of our agreements require the customers to provide quarterly/ yearly forecasts, with certain portions of the forecast being binding as well a non-binding in nature. Our CDMO agreements also typically provide the customer the right to return/ reject the product in case it fails to meet the specified specifications within a stipulated timeframe and we are responsible to replace such products free of any additional cost within a stipulated timeframe along with provide indemnity to the customer for losses arising from breach of obligations, specification of raw material used and manufacturing defect. In cases of recall of the product manufactured by our Company, our CDMO agreements typically require us to bear all the expenses and costs of such recall either upfront or by way of deduction from our bills, and the customers may also opt to terminate the agreement on account of such recall. Further, our CDMO customers are typically provided the right to audit our manufacturing facilities, processes or systems, under such agreements, by providing a certain amount of notice. In one of our CDMO agreement, our CDMO customer has the right to subject our products to quality control assessments either by themselves or in cases of any disagreements, by independent testing authorities, the cost of which is to be borne by the losing party. In addition, in respect of intellectual property under the respective agreements, certain CDMO agreements specifically provide (i) that the trademark is owned by the customer and the customer shall indemnify us in case of any third-party intellectual property right infringement; and (ii) any intellectual property arising out of production will belong to the customer. Certain CDMO agreements also allow our customers to opt for terminating the agreement with our Company if there is any change in control or management of our Company. Also, see, "*Risk Factors - Our CDMO agreements impose several contractual obligations upon us. If we are unable to meet these contractual obligations and/ or our customers perceive any deficiency in our service we may face legal liabilities and consequent damage to our reputation which may in-turn adversely impact our business, financial condition and results of operations*" on page 27.

The following chart highlights the end-to-end process, from client acquisition to manufacturing of the product, undertaken by us in relation to our CDMO Services and Products SBV:



We aim to deliver customized, innovative and complex generic products to our customers. Our R&D team work closely with customers or prospective customers, and provide innovative and cost efficient solutions tailored to meet specific customer requirements. When we work on a customer specific project then the customers also oversees the planning and execution of our projects. Our R&D team oversees the transfer of technology from lab scale to plant scale and prepares back-up strategies. Thereafter, we scale-up our operations from the R&D stage to large-scale manufacturing. We emphasize on maintaining consistency in the quality of our products as well as planning and executing projects in a timely manner.

Dosage portfolio

Our dosage portfolio comprises complex generic products, including (i) fixed dosage combinations; (ii) fixed dosage plus modified release combinations; (iii) customized generics; and (iv) chewable or dispersible; and conventional generic products, such as, plain oral solids. We are focused on launching new complex generic products and manufacture both solid and liquid pharmaceutical dosage forms and provide specialized capabilities that our customers are seeking, including, high potency, controlled substances and low-solubility.

The following table sets forth certain information in relation to revenue from sale of products in various dosages for the periods indicated:

Dosage portfolio	Fiscal 2018		Fiscal 2019		Fiscal 2020	
	Revenue from Operations	As % of Total Revenue from Operations	Revenue from Operations	As % of Total Revenue from Operations	Revenue from Operations	As % of Total Revenue from Operations
	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)
Complex						
Fixed dosage combinations	859.60	24.39%	844.85	27.50%	961.71	29.24%
Fixed dosage plus modified release	912.03	25.88%	868.61	28.27%	904.48	27.50%
Customized generics	325.65	9.24%	328.25	10.68%	350.32	10.65%
Chewable/ Dispersible	7.16	0.20%	6.72	0.22%	80.77	2.46%
Total (A)	**2,104.44**	**59.72%**	**2,048.43**	**66.67%**	**2,297.28**	**69.86%**
Conventional						
Plain oral solids	1,267.70	35.98%	978.10	31.83%	985.05	29.95%
Total (B)	**1,267.70**	**35.98%**	**978.10**	**31.83%**	**985.05**	**29.95%**
Grand Total (A+B)	**3,372.14**	**95.70%**	**3,026.53**	**98.50%**	**3,282.33**	**99.81%**

Dosage portfolio	Nine months ended December 31, 2019		Nine months ended December 31, 2020	
	Revenue from Operations	As % of Total Revenue from Operations	Revenue from Operations	As % of Total Revenue from Operations
	(₹ million)	(%)	(₹ million)	(%)
Complex				
Fixed dosage combinations	739.27	29.01%	903.61	28.17%
Fixed dosage plus modified release	741.76	29.10%	764.32	23.83%
Customized generics	248.62	9.75%	436.61	13.61%
Chewable/ Dispersible	55.64	2.18%	2.01	0.06%
Total (A)	**1,785.29**	**70.05%**	**2,106.55**	**65.67%**
Conventional				
Plain oral solids	759.02	29.78%	1075.30	33.52%
Total (B)	**759.02**	**29.78%**	**1,075.30**	**33.52%**
Grand Total (A+B)	**2,544.31**	**99.83%**	**3,181.85**	**99.19%**

The following table sets forth certain information in relation to the number of products in the CDMO Services and Products SBV, based on dosage forms, for periods indicated:

Particulars	Fiscal			In the nine months ended December 31,	
	2018	2019	2020	2019	2020
Complex					
Fixed dosage combinations	272	338	385	349	387

Particulars	Fiscal			In the nine months ended December 31,	
	2018	2019	2020	2019	2020
Fixed dosage plus modified release	210	217	236	226	283
Customized generics	54	58	88	72	128
Chewable/ Dispersible	6	12	16	14	6
Total (A)	**542**	**625**	**725**	**661**	**804**
Conventional					
Plain oral solids	304	275	326	294	339
Total (B)	304	275	326	294	339
Grand Total (A+B)	**846**	**900**	**1,051**	**955**	**1,143**

Therapeutic portfolio

We are engaged in the contract manufacturing of formulations in various therapeutic areas, including (i) chronic and sub-chronic, such as, anti-diabetic, cardiovascular, neuropsychiatry, respiratory health and nutraceuticals; and (ii) acute, such as, gastroenterology, vitamins, minerals and supplements ("**VMS**"), analgesic, dermatological and cough/ cold.

The following table sets forth certain information in relation to the revenue from the sale of products in various therapeutic areas for the periods indicated:

Therapeutic Area	Fiscal 2018		Fiscal 2019		Fiscal 2020	
	Revenue from the sale of products	As % of Total Revenue from Operations	Revenue from the sale of products	As % of Total Revenue from Operations	Revenue from the sale of products	As % of Total Revenue from Operations
	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)
Chronic and sub-chronic	1,661.57	47.15%	1,573.12	51.20%	1,540.02	46.83%
Acute	1,710.58	48.54%	1,453.41	47.30%	1,742.31	52.98%
Total	**3,372.15**	**95.70%**	**3,026.53**	**98.50%**	**3,282.33**	**99.81%**

Therapeutic Area	Nine months ended December 31, 2019		Nine months ended December 31, 2020	
	Revenue from the sale of products	As % of Total Revenue from Operations	Revenue from the sale of products	As % of Total Revenue from Operations
	(₹ million)	(%)	(₹ million)	(%)
Chronic and sub-chronic	1,231.58	48.32%	1,854.29	57.80%
Acute	1,312.73	51.51%	1,327.56	41.38%
Total	**2,544.31**	**99.83%**	**3,181.86**	**99.19%**

The following table sets forth certain information in relation to the number of products in various therapeutic areas for the periods indicated:

Particulars	Fiscal			In the nine months ended December 31,	
	2018	2019	2020	2019	2020
Chronic and sub-chronic	558	554	624	582	766
Acute	288	346	427	373	377
Total	**846**	**900**	**1,051**	**955**	**1,143**

Domestic Trade Generics and OTC Brands SBV

Our Domestic Trade Generics and OTC Brands SBV consists of (i) trade generic products; and (ii) OTC brands, which include nutraceutical and health supplement products that do not require prescription and are marketed, distributed and promoted in India under our own brand names through online and offline channels and majorly manufactured by us. Trade generic products are generic medicines, *i.e.* drugs for which the patents have expired, which are sold directly to the distributor and not marketed through medical representatives, and are typically used as a substitute for more expensive branded generic medicines in order to offer affordable medicines to patients by the retailers and pharmacies (*Source: CRISIL Report*). We commenced our Domestic Trade Generics and OTC Brands SBV with a strategic intention to capitalize on the market opportunity presented by India's unmet need of affordable and quality medicines to the large number of semi-urban and rural locations of India. For further information in relation to market opportunity, see "- *Our Strategies - Focus on the Domestic Trade Generics and OTC Brands SBV by benefiting from the market opportunities as well as high margin exports*" and "*Industry Overview*" on pages 134 and 97, respectively.

We have developed a diversified Domestic Trade Generics and OTC Brands SBV product portfolio to cater to nutritional, ayurvedic, wellness and personal care markets. The following table sets forth certain information in relation to the number of brands in the Domestic Trade Generics and OTC Brands SBV for periods indicated:

Particulars	Fiscal			In the nine months ended December 31,	
	2018	2019	2020	2019	2020
Number of brands	87	110	128	112	175

Our Domestic Trade Generics and OTC Brands SBV products are distributed through the offline channel, *i.e.* distributors, stockists, retail pharmacies and institutional tenders, as well as the online channel, *i.e.* through various e-commerce platforms. As of December 31, 2020, we had a network of over 850 stockists and distributors spread across 14 states in India having grown from over 400 stockists and distributors, as of March 31, 2018

Exports SBV

Our Exports SBV is engaged in identifying high growth markets and opportunities in semi-regulated international markets as well as selected regulated markets, such as South Africa and the United States, for developing and registering product applications to obtain marketing authorizations for generic medicines and health supplements. Post receipt of the marketing authorization in the selected market, we sell such products to pharmaceutical companies and pharmacies in the respective markets.

Our primary markets for our export include Vietnam, Myanmar, Sri Lanka, Thailand, Philippines, Cambodia, Fiji, Trinidad & Tobago and South Africa. In the nine months ended December 31, 2020, we had exported over 47 products in these markets.

As of December 31, 2020, our Company had obtained 59 product marketing authorizations across various export markets, such as, Cambodia, Ivory Coast, Philippines, Thailand, Vietnam, Myanmar and Sri Lanka.

Manufacturing Facilities

We currently own and operate four manufacturing facilities located at Dehradun in Uttarakhand. Our capabilities include formulation development, technology scale-up and full-scale commercial manufacturing. We have capabilities for both solid and liquid pharmaceutical dosage forms.

We have fully integrated manufacturing support systems at each of our manufacturing facilities, including quality assurance, quality control, regulatory affairs and inventory control. These support systems enable us to complete and deliver our products to our customers while maintaining high quality standards and monitoring regulatory compliance. All our manufacturing facilities have waste management and environment protection systems and comply with the laws on environmental pollution. We have arrangements for regular power and water supply at our manufacturing facilities together with provisions for back-up, such as, diesel generator sets. Compliance to quality systems, regulatory guidelines and environmental protection guidelines is routinely audited by our multinational as well as large Indian pharmaceutical customers as well as external auditors recruited by our management from time to time.

The following table set forth below certain details in relation to our manufacturing facilities, as of December 31, 2020:

Manufacturing Facility	Product Capabilities			Approvals
	Tablets/ Capsules	Pouch/ Sachet	Liquid Bottles	
Dehradun Plant – I	✓	✓	✓	Adheres to WHO GMP and Schedule M guidelines
Dehradun Plant – II	✓	✓	✓	Adheres to WHO GMP and Schedule M guidelines
Dehradun Plant – III	✓	-	-	Adheres to Schedule M guidelines
Dehradun Plant – IV	✓	✓	-	Adheres to WHO GMP and Schedule M guidelines. US FDA approval is currently under remediation*

√ *denotes that the product is manufactured at the relevant facility.*

* *Our Dehradun Plant – 4, which was operated by our erstwhile wholly-owned Subsidiary, Windlas Healthcare, was placed on import alert 66-40 on January 21, 2020 and received a warning letter 320-20-28 dated March 10, 2020 issued by the US FDA which highlighted certain significant violations of current GMP regulations for finished pharmaceuticals. For further information, see "Risk Factors - Any unscheduled, unplanned or prolonged disruption of our manufacturing operations, such as, strikes and lockouts, could materially and adversely affect our business, financial condition and results of operations." on page 31.*

Dehradun Plant - I

Our Dehradun Plant- I is located at 40/1, Mohabewala Industrial Area, Dehradun in Uttarakhand, and commenced operations in 2001. As of December 31, 2020, our Dehradun Plant- I had an installed operating capacity of 772.12 million tablets/ capsules, 22.43 million pouch/ sachet and 23.27 million liquid bottles. The key features of Dehradun Plant-I include environment, health and safety compliance, unidirectional man-material flow, upgraded heating, ventilation and air conditioning systems, and water systems as well as a unique capability for liquid filled capsule. Our Dehradun Plant – I is also licensed for production of nutraceutical supplements by the Food Safety and Standards Authority of India and for production of ayurvedic pharmaceutical products by the Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homeopathy (AYUSH) for manufacturing ayurvedic pharmaceutical products. In addition, we have recently received a license to manufacture certain APIs at our Dehradun Plant – I.

Dehradun Plant - II

Our Dehradun Plant- II is located at Khasra no. 141 to 143 and 145, Mohabewala Industrial Area, Dehradun in Uttarakhand, and commenced operations in 2014. As of December 31, 2020, our Dehradun Plant- II had an installed operating capacity of

4,277.15 million tablets/ capsules, 20.39 million pouch/ sachet and 37.81 million liquid bottles. The key features of Dehradun Plant-II include environment, health and safety compliance, unidirectional man-material flow, upgraded heating, ventilation and air conditioning systems, and water systems, zero discharges, fire and smoke detection system, and capability to handle production processes that involve solvent exposure with flameproof fitting and fixtures.

Dehradun Plant - III

Our Dehradun Plant- III is located at Plot no. 39, Pharma City Selaqui Industrial Area, Dehradun in Uttarakhand, and commenced operations in 2018. As of December 31, 2020, our Dehradun Plant- III had an installed operating capacity of 992.33 million tablets/ capsules. The key features of Dehradun Plant-III include environment, health and safety compliance, unidirectional man-material flow, upgraded heating, ventilation and air conditioning systems, and water systems, zero discharges, fire and smoke detection system, and capability to handle production processes that involve solvent exposure with flameproof fitting and fixtures.

Dehradun Plant - IV

Our Dehradun Plant- IV is located at Plot no. 183 and 192, Mohabewala Industrial Area, Dehradun in Uttarakhand, and commenced operations in 2009. As of December 31, 2020, our Dehradun Plant- IV had an installed operating capacity of 1,022.24 million tablets/ capsules and 11.64 million pouch/ sachet. The key features of Dehradun Plant-IV include environment, health and safety compliance, unidirectional man-material flow, upgraded heating, ventilation and air conditioning systems, and water systems, zero discharges, and fire and smoke detection system. Our Dehradun Plant- IV is licensed for production of nutraceutical supplements by the Food Safety and Standards Authority of India.

Installed Operating Capacity and Capacity Utilization

The following table sets forth certain information relating to our installed operating capacity, actual production and capacity utilisation for our manufacturing facilities for the periods indicated:

Particulars	As of and for the financial year ended March 31,								
	2018			2019[3]			2020[3]		
	Installed Operating Capacity[1]	Actual Production	Capacity Utilisation [2]	Installed Operating Capacity[1]	Actual Production	Capacity Utilisation [2]	Installed Operating Capacity[1]	Actual Production	Capacity Utilisation [2]
	(million)		(%)	(million)		(%)	(million)		(%)
Tablets/ Capsules	5,537.13	2,120.44	38.29%	5,013.32	1,657.95	33.07%	5,258.00	2,010.84	38.24%
Pouch/ sachet	54.46	4.71	8.65%	42.82	2.31	5.38%	42.82	3.14	7.32%
Liquid bottles	61.08	21.08	34.51%	61.08	26.83	43.93%	61.08	37.75	61.80%

Particulars	As of and for the nine months ended December 31, 2019[3]			As of and for the nine months ended December 31, 2020		
	Installed Operating Capacity[1]	Actual Production	Capacity Utilisation [2]	Installed Operating Capacity[1]	Actual Production	Capacity Utilisation [2]
	(million)		(%)	(million)		(%)
Tablets/ Capsules	5,258.00	2,713.04	51.60%	7,063.83	2,817.41	39.88%
Pouch/ sachet	42.82	4.35	10.15%	54.46	2.44	4.48%
Liquid bottles	61.08	48.72	79.77%	61.08	28.27	46.28%

1. *The installed operating capacity of our manufacturing facilities has been calculated by using the equipment manufacturer's rated maximum capacity for an installed equipment and adjusting it for the typical achieved capacity across a wide range of actual processes and batch sizes for any particular dosage type in a sequential line setup. Further, downtime between any batches due to product changeover related equipment cleaning, scheduled breaks, and material loading / unloading are taken into account to calculate the installed operating capacity during the year/ period. The information relating to the installed operating capacity of the manufacturing facilities as of the dates included above are based on various assumptions and estimates that have been taken into account for calculation of such capacity. The assumptions and estimates taken into account include that each manufacturing facility operated for 302 days in a year in three shifts in a day for manufacturing sections and two shifts in a day for packaging sections, and each shift is for six hours in order to account for the breaks and loading / unloading activities. The installed operating capacity of our manufacturing facilities does not take into account any unscheduled break due to material or manpower shortages/ equipment breakdowns/ or quality clearances. The installed operating capacity of the manufacturing facilities as of December 31, 2019 and 2020 have been provided on an annualized basis.*

2. *Capacity utilization has been calculated on the basis of actual production during the relevant period divided by the aggregate installed operating capacity of relevant manufacturing facilities as of at the end of the relevant period. In the case of capacity utilization for the period ending December 31, 2019 and 2020, the capacity utilization has been calculated by dividing the actual production for the period by 75% of the annualized installed operating capacity.*

3. *In Fiscal 2019, Cadila Healthcare Limited acquired 51.00% of the total equity share capital of Windlas Healthcare Private Limited. Accordingly, information relating to the installed operating capacity, actual production and capacity utilization of Dehradun Plant – IV (which was operated by Windlas Healthcare Private Limited) have not been included in Fiscal 2019 and Fiscal 2020 and the nine months ended December 31, 2019.*

Actual production capacity, production levels and utilization rates may vary from the information of our manufacturing facilities included in this Draft Red Herring Prospectus. See "*Risk Factors – Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance*" and "*Risk Factors -Information relating to the installed operating manufacturing*

capacity and capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary" on pages 34 and 45, respectively.

Procurement and Raw Materials

We purchase APIs and other materials such as, excipients and impurities, and primary and secondary packaging materials from third party suppliers domestically. In addition, we purchase certain APIs from a third party international supplier. In Fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2019 and 2020, our material margin percentage, *i.e.* calculated by dividing margin (which is calculated by deducting cost of goods sold from revenue from operations) by revenue from operations, was 32.72%, 37.54%, 35.66%, 35.95% and 36.61%, respectively.

We do not have any long term contracts with our third-party suppliers. Prices are negotiated for each purchase order and we generally have more than one supplier for each raw material. The terms and conditions including the return policy are set forth in the purchase orders. We seek to source our materials from reputed suppliers and typically seek quotations from multiple suppliers. Historically, we have sourced raw materials from vendors in India, China, Germany and Belgium. Our imported raw materials as a percentage of total raw materials purchases was 4.26% in Fiscal 2020 compared to 3.35% in Fiscal 2018, while it was 4.32% and 4.02% in the nine months ended December 31, 2019 and 2020, respectively. Arrangements with raw material and packing material suppliers are subject to, among other things, regulatory requirements, various import duties and other government clearances.

We have in-house planning and inventory control teams that work alongside the manufacturing team to determine procurement requirements for manufacturing finished products, creating production plans and ensuring availability of raw materials and packaging materials. These teams monitor inventory and finished products against various factors, including capacity,. For this purpose information technology systems are extensively used.

For procurement, we have a centralised system across our manufacturing facilities and we identify and approve multiple vendors to source our key raw materials while leveraging the any approved supplier base of our customers, after a vendor assessment that involves an examination of the potential vendor's regulatory accreditations, and supply strength in terms of delivering large quantities on a consistent basis. We typically purchase raw materials based on the historical levels of sales, actual sales orders on hand and the anticipated production requirements taking into consideration any expected fluctuation in raw material prices and delivery delay. We have an in-house procurement and supply chain function that works on identifying items where new vendor additions are needed and monitors the performance of our vendors for quality, delivery and price competitiveness. Strategic purchasing team is involved in negotiating high value items and identifying areas of focus with respect to market price trends in key items.

Raw materials, including packaging materials, are subject to supply disruptions and price volatility caused by various factors such as commodity market fluctuations, the quality and availability of raw materials, currency fluctuations, consumer demand, changes in government policies and regulatory sanctions. In addition, under certain CDMO agreements, our Company is obligated to procure raw materials from vendors specified by the customer. See, "*Risk Factors -Any shortfall in the supply of our raw materials or an increase in our raw material costs, or other input costs, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.*" on page 32.

Sales, Marketing and Distribution

We have distinct sales, marketing and distribution channels for each of our SBVs:

CDMO Services and Products SBV

Our CDMO Services and Products SBV is a marketing operation cater to the business-to-business segment. We maintain direct contact with majority of our customers which allows us to understand the technical needs and specifications of our customers as well as their future requirements. We also engage senior management in the sales and marketing process to build more strategic relationships with our customers and to enhance customer experience. As of December 31, 2020, our sales and marketing comprised 25 employees in the CDMO Services and Products SBV.

Our sales and marketing team is responsible for generating new business, identifying new customer opportunities, maintaining existing customer relationships and generating sales from these customers. Our sales and marketing teams also focus on involving our R&D team to work closely with our customers or prospective customers to design products tailored to meet their specific requirements. The projects of our existing customers are managed by site-based project managers and business managers, who also play an integral role in the sales process by ensuring that the existing projects meet our customers' expectations and understanding our customers' projects and evolving needs. These activities can assist the site-based teams in obtaining additional work on existing projects and identifying new projects with existing customers.

We maintain the required warehousing capacity directly onsite at all of our manufacturing facilities. A majority of the shipments are on an ex-works basis wherein the customer coordinates and is responsible for the shipment from our warehouse. Our customers coordinate with third party logistics providers to transport products directly from our manufacturing facilities to their own warehouses.

Domestic Trade Generics and OTC Brands SBV

Our Domestic Trade Generics and OTC Brands SBV is a sales and marketing operation through which we distribute the products under our own brand names through the offline channel, *i.e.* distributors, stockists, retail pharmacies and institutional tenders, as well as the online channel, *i.e.* through various e-commerce platforms. Our sales and marketing comprised 25 employees in the Domestic Trade Generics and OTC Brands SBV, as of December 31, 2020. As of December 31, 2020, we had a network of over 850 stockists and distributors spread across 14 states, which has grown from over 400 stockists and distributors, as of March 31, 2018. Further, we have recently commenced participating in competitive tender process for supply of our products to various government agencies, and have received seven tenders, as of December 31, 2020.

Exports SBV

Products in our Export SBV are sold to pharmaceutical companies and pharmacies, having a local presence in our export markets. We plan to have our own sales and marketing teams in certain markets. As of December 31, 2020, our sales and marketing comprised four employees in the Exports SBV.

Research and Development

R&D is critical in maintaining our competitive position, addressing changing consumer trends and industry developments. Accordingly, we are increasingly engaged in R&D programs to develop innovative product delivery systems and manufacturing methods. In Fiscals 2018, 2019 and 2020, and the nine months ended December 31, 2019 and 2020, our research and development expenses were ₹ 19.58 million, ₹ 41.87 million, ₹ 38.74 million, ₹ 28.73 million and ₹ 24.94 million, respectively.

Our R&D laboratories (which include formulation development, analytical development and chemical research areas) are located at Dehradun Plant - I, and are recognized as an in-house R&D unit by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. Our R&D laboratories are focused on developing cost efficient processes for the manufacture upcoming patent expired APIs. As of December 31, 2020, we have a team of 40 experts in medical affairs, regulatory affairs, pharmacology and chemical research that works to identify ideas of complex generic products that create value at the patient level by improving the efficacy, safety and cost of existing generics.

We have successfully utilized our R&D capabilities to develop various products, processes and technologies for diverse therapeutic segments. As of December 31, 2020, our Company had obtained 59 product marketing authorizations across various export markets, such as, Cambodia, Ivory Coast, Philippines, Thailand, Vietnam, Myanmar and Sri Lanka. In addition, we have entered into a technology licensing agreement in relation to nanoparticle-encapsulated curcumin solid dispersion technology with the National Institute of Pharmaceutical Education and Research, Mohali.

Each of our products are subjected to quality check by our in-house R&D team, to ensure that the finished product meets customer standards and other specifications. Our R&D has and will continue to assist us in developing newer technologies, delivery systems and manufacturing processes for existing as well as new products, which will help reduce the cost of production, simplify manufacturing processes to improve safety, reduce environmental load and provide us with other growth opportunities. Our R&D has played a key role in the expansion of our commercialized product portfolio from portfolio from 176 products in Fiscal 2018 to 314 products in Fiscal 2020 and 316 products in the nine months ended December 31, 2020.

Customers

We have developed relationships with leading Indian pharmaceutical companies, including Brinton Pharmaceuticals Limited, Cadila Healthcare Limited/ Zydus Healthcare Limited, Emcure Pharmaceuticals Limited, Eris Lifesciences Limited, Hegde & Hegde Pharmaceutical LLP, Intas Pharmaceuticals Limited, Leeford Healthcare Limited, Lincoln Pharmaceuticals Limited, Maa Durga Enterprises, Medley Pharmaceuticals Limited, Mega Lifescience Public Company Limited, Micro Labs Limited, Panacea Biotec Limited, Pfizer Limited, Procter and Gamble Health Limited, Sanofi India Limited, Sundyota Numandis Probioceuticals Private Limited, Systopic Laboratories Private Limited, Talent India, USV Private Limited, Vestige Marketing Private Limited, Wallace Pharmaceuticals Private Limited and Win-Medicare Private Limited. In Fiscal 2020, we provided CDMO services to seven of the top 10 Indian formulations pharmaceutical companies (*Source: CRISIL Report*).

The following table sets forth the number of domestic customers we have provided CDMO services to in the periods indicated:

Particulars	Fiscal			Nine months ended December 31, 2019	Nine months ended December 31, 2020
	2018	2019	2020		
Number of customers	92	97	143	109	171

We believe the increasing use of outsourcing by pharmaceutical companies has created opportunities for us to build more strategic relationships with our customers. We typically enter into long-term CDMO agreements ranging between two to five years with our customers. We are committed to developing and maintaining long-term relationships with our customers through frequent interactions and follow-ups. However, our revenue from CDMO Services and Products SBV has historically been derived from a small customer base. In Fiscals 2018, 2019 and 2020, and in the nine months ended December 31, 2019 and 2020, our top 10 customers represented 60.47%, 57.01%, 57.14%, 58.01% and 56.82%, respectively, of our total revenues from operations in such periods. Our largest customer represented 15.27%, 12.33%, 11.65%, 11.36% and 12.13%, respectively, of our total revenues from operations in Fiscals 2018, 2019 and 2020, and in the nine months ended December 31, 2019 and 2020,

respectively. See, "*Risk Factors - We depend on the success of our relationships with our CDMO customers, including leading Indian pharmaceutical companies and multinational companies. Any adverse developments or inability to enter into or maintain such relationships could have an adverse effect on our business, results of operations and financial condition*" on page 21.

Competition

The domestic formulations industry is highly fragmented in terms of both, number of manufacturers and products, with 300 to 400 organised players and approximately 15,000 unorganised players. Contract manufacturing is also characterized by high fragmentation and competition, with large number of organized and unorganized players. (*Source: CRISIL Report*)

We compete to provide services to pharmaceutical companies in the CDMO industry. Our competition in the CDMO Services and Products SBV includes full-service pharmaceutical outsourcing or CDMO companies; contract manufacturers focusing on a limited number of dosage forms; contract manufacturers providing multiple dosage forms; and large pharmaceutical companies offering third-party manufacturing services to fill their excess capacity. The key players in domestic formulations CDMO segment include, Akums Drugs and Pharmaceuticals, Synokem Pharmaceuticals, Theon Pharmaceuticals, Innova Captab and Tirupati Medicare (*Source: CRISIL Report*). In addition, in Europe and Asia, there is a large number of privately owned, dedicated outsourcing companies that serve only their local or national markets (*Source: CRISIL Report*). Also, large pharmaceutical companies have been seeking to divest portions of their manufacturing capacity, and any such divested businesses may increase competition in CDMO industry (*Source: CRISIL Report*). We compete primarily on the basis of product portfolio (range of existing product portfolio and novelty of new offerings), security of supply (quality, regulatory compliance and financial stability), service (on-time delivery and manufacturing flexibility) and cost-effective manufacturing.

For our Domestic Trade Generics and OTC Brands SBV, we compete with companies in the Indian market based on therapeutic and product categories, and within each category, upon dosage strengths and drug delivery. Many of the pharmaceutical players are adding trade generic products to their portfolio (*Source: CRISIL Report*). Abbott Healthcare Limited, Cipla Limited and Alkem Laboratories Limited are some of the players operating in Indian trade generics market (*Source: CRISIL Report*). Further, in global markets, we compete with local companies, multinational corporations and companies from other emerging markets that are engaged in manufacturing and marketing generic pharmaceuticals. In addition, as we grow our Exports SBV, we expect competition from major international generic manufacturers. For further information, see "*Industry Overview*" on page 97. Also see, "*Risk Factors - We operate in a market that is highly competitive. We compete to provide outsourced pharmaceutical manufacturing services or CDMO services, particularly for formulations, to pharmaceutical companies in India and other jurisdictions.*" on page 26.

Quality Control, Testing and Certifications

Maintaining high standard of quality in our R&D and manufacturing operations is critical to our growth and success. We have implemented quality systems across our manufacturing facilities that cover the full product lifecycle from process innovation and R&D, through the stages of process development, manufacturing, sales and supply chain, to the customer evaluation of our products as well as management systems for ensuring consistent quality, efficacy and safety of our products. We identify and approve multiple vendors to source our key raw materials, in addition to the suppliers approved by our customers, pursuant to a vendor assessment that involves an examination of the potential vendor's regulatory accreditations, and supply strength in terms of delivering large quantities on a consistent basis.

As of December 31, 2020, our quality control department consisted of 156 employees. We have one quality staff for every three individuals engaged in our manufacturing operations. Our quality function has two separate departments:

i. Quality assurance department: The department prepares standard operating procedures, oversees new product/ vendor introduction in accordance with the regulatory approval, oversees the compliance of facilities and equipments to current GMP, handles product quality related complaints, manages process deviations, change controls, risk analysis, internal audit, product recalls, personnel trainings, issues all production documentation and maintains all executed records and provides oversight to other functions with respect to compliance to current GMP expectations.

ii. Quality control department: This department manages the laboratory test infrastructure required to test materials (raw, in-process and finished goods) as per pre-set standards and specifications which is used to release a product to the market by the quality assurance department.

Our products undergo a qualification process throughout the entire life cycle from development to technology transfer to high volume manufacturing. The bill-of-materials, test specifications, test methods and manufacturing processes are all standardized and validated for every product based on historical data and risk assessments. Our quality control programs at our manufacturing facilities involve subjecting the manufacturing processes and quality management systems to periodic reviews and observations for various periods. We have also made significant investments in quality management systems and have moved from a 'paper-based' approach to 'electronic-based' systems in manufacturing and quality controls as well as validation activities which enable us to undertake data analytics and track product level information across the different facilities and teams.

Implementation of our quality policy is done through quality management systems based on WHO GMP and Schedule M in conformity other applicable national standards. Periodic self-inspections and audits are conducted to monitor the effective implementation of quality systems. We are assessed periodically in accordance with applicable GMP. Our manufacturing

facilities are regularly inspected for compliance with current GMP and all of our manufacturing facilities are Schedule M compliant. Further, our Dehradun Plant – I, Dehradun Plant – II and Dehradun Plant – IV are compliant with standards set by WHO GMP.

Regulatory matters

We are required to comply with the regulatory requirements of various local, state, provincial, national and international regulatory bodies having jurisdiction in the countries where we manufacture products or where our customers' products are distributed. In particular, we are subject to laws and regulations concerning research and development, testing, manufacturing processes, equipment and facilities, including compliance with current GMPs, labeling and distribution, import and export, and product registration and listing. For further information in relation to applicable laws in India, see "*Key Regulations and Policies in India*" on page 147. Our products are sold in regulated and semi-regulated markets which are subject to regulations by their respective government entities. To varying degrees, each of these agencies requires us to adhere to laws and regulations governing the registration, development, testing, manufacturing, labelling, marketing and distribution of our products, in their respective regions. For further details in connection with the approvals required in India, see *"Government and Other Approvals"* on page 278.

Our pharmaceutical development and manufacturing projects involve products that sometimes may have to undergo clinical evaluations relating to product safety and efficacy before they are approved as commercial therapeutic products. The regulatory authorities having jurisdiction in the countries in which our customers intend to market their products or where we intend to market our products may delay or put on hold clinical trials, delay approval of a product or determine that the product is not approvable. In our supply and distribution agreement with a Sri Lankan company, the customer may terminate the agreement if any regulatory approval obtained by our Company is suspended, cancelled or withdrawn. Further, some of our manufactured products are listed as controlled substances. Controlled substances are those products that present a risk of substance abuse. Products containing controlled substances may generate significant public health and safety issues, and in such instances, federal or state authorities can withdraw or limit the marketing rights or regulatory approvals for these products. Issues regarding controlled substances could also impact our reputation with regulatory bodies, customers and the public. Also, see "*Risk Factors – The pharmaceutical market is subject to extensive regulation and failures to comply with the existing and future regulatory requirements in any pharmaceutical market could adversely affect our business in that market, results of operations and financial condition*" on page 24.

Our Dehradun Plant – 4, which was operated by our erstwhile wholly-owned Subsidiary, Windlas Healthcare, was placed on import alert 66-40 on January 21, 2020 and received a warning letter 320-20-28 dated March 10, 2020 issued by the US FDA which highlighted certain significant violations of current GMP regulations for finished pharmaceuticals. For further information, see "*Risk Factors - Any unscheduled, unplanned or prolonged disruption of our manufacturing operations, such as, strikes and lockouts, could materially and adversely affect our business, financial condition and results of operations.*" on page 31.

Environment, Health and Safety

Our activities are subject to various environmental laws and regulations which govern, among other matters, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites, natural resource damages, and employee health and employee safety. For further information, see "*Key Regulations and Policies in India*" on page 147. We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted an environment, health and safety policy that is aimed at complying with legislative requirements, requirements of our licenses, approvals, various certifications and ensuring the safety of our employees. We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks, and by providing appropriate training to our management and our employees. We have conducted safety programs at our facilities and developed training modules. See "*Risk Factors - Our operations are subject to environmental and workers' health and safety laws and regulations. We may have to incur material costs to comply with these regulations or suffer material liabilities or damages in the event of an incidence or non-compliance of environment and other similar laws and regulations which may have a material adverse effect on our reputation, business, financial condition and results of operations.*" on page 29.

We strive to manage the potential risks associated with such laws and regulations through our operational controls, environmental monitoring and routine risk assessment and mitigation processes. Additionally, we maintain an ongoing audit system, including both internal and external audits, designed to help identify and mitigate risks. Further, our manufacturing facilities possess effluent treatment processes and minimize any contamination of the surrounding environment or pollution in compliance with applicable law.

Our products sold in developed and emerging markets are subject to regulations by their respective government entities. To varying degrees, each of these agencies requires us to adhere to laws and regulations governing the registration, development, testing, manufacturing, labelling, marketing and distribution of our products, in their respective regions.

We have complied, and will continue to comply, with all applicable environmental and associated laws, rules and regulations. Failure to comply with the applicable laws and regulations may subject us to penalties and may also result in the closure of our facilities. We have obtained, or are in the process of obtaining or renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. For further information, see "*Government and Other Approvals*" on page 278.

Information Technology

An appropriate information technology 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.

Insurance

Our operations are subject to various risks inherent in the pharmaceutical manufacturing industry. Accordingly, we have obtained standard fire and special perils insurance policies for our manufacturing facilities along with a public liability insurance (industrial risks) policy. We have also obtained a marine open import declaration policy, marine open inland declaration policies as well as a burglary insurance policy and a money insurance policy. Further, we have also obtained a group personal accidental policy and group health (floater) insurance policy. In addition, we have obtained keyman insurance policies for Hitesh Windlass and Manoj Kumar Windlass. These insurance policies are reviewed periodically to ensure that the coverage is adequate.

We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurance. Our policies are subject to standard limitations. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies. See "*Risk Factors – An inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.*" on page 43.

Employees

Our employees contribute significantly to our business operations. As of December 31, 2020, we had 954 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. For further information, see "*Capital Structure – ESOP 2021*" on page 77. 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.

Intellectual Property

As of December 31, 2020, our Company had filed for nine patent applications, out of which two patents have been granted in relation to the (i) process of preparation of pharmaceutical compositions comprising amorphous mirabegron without prior isolation of amorphous mirabegron; and (ii) process for preparation of mirabegron and intermediate thereof. Our patent applications in India are in relation to, amongst others, solid form of mirabegron intermediate and its process for preparation, process for the preparation of dimethyl fumarate, controlled release metformin compositions, and taste masked iron compositions. In addition, as of December 31, 2020, our Company had one application for license, which is granted patent and nationalized in Germany and Great Britain in relation to nanocrystalline solid dispersion compositions, and one application for license in United States, which is granted patent, in relation nanocrystalline solid dispersion compositions and process of preparation thereof as well as one application for license in India, which is currently pending, in relation to novel one step process for preparation of compositions comprising nanocrystalline solid dispersions. Further, as of December 31, 2020, our Company had 63 registered trademarks under class 5, and two trademark applications made by the Company are pending. Our corporate logo ' ' has been granted the status 'accepted and advertised' by the Trademark Registry. Our Subsidiary also had the *Windlas* trademark registered in the United States, as of December 31, 2020. For further information, see "*Government and Other Approvals*" on page 278.

Also, many of the formulations used by us in manufacturing products to customer specifications are subject to patents or other intellectual property rights owned by or licensed to the relevant customer. Further, our CDMO agreements with customers, which own or are licensed users of patented formulations, include non-disclosure, confidentiality, indemnity and other

contractual provisions. We have acquired and developed and continue to acquire and develop knowledge and expertise, or know-how, and trade secrets in the provision of services in our businesses, including know-how and trade secrets related to proprietary technologies and patents, trademarks, know-how and trade secrets related to advanced intermediates and finished dose pharmaceutical contract manufacturing. Our know-how and trade secrets in our businesses may not be patentable, however, they are valuable in that they enhance our ability to provide high-quality services to our customers. See "*Risk Factors – If we are unable to protect our intellectual property and proprietary information, or if we infringe the intellectual property rights of others, our business, financial condition, cash flows and results of operations may be adversely affected*" on page 31.

Corporate Social Responsibility

Our Company has formulated a Corporate Social Responsibility ("**CSR**") policy in accordance with the requirements of the Companies Act, 2013 and the rules thereunder. Our Board of Directors have also constituted a Corporate Social Responsibility Committee. Our CSR activities focus on healthcare activities, education, healthcare sustainable livelihood, women empowerment, environment protection initiatives and promotion of art and culture. Our recent CSR activities have included providing pharmaceutical products to, amongst others, Rashtriya Sewa Bharti, Sewa International and Swami Vivekanand Health Mission Society. Further, as part of our CSR initiatives, we distributed sanitizers in line with the safety measures to prevent the spread of the COVID-19 pandemic.

Property

Our Registered Office is located at 40/1 Mohabewala, Industrial Area, Dehradun 248 110, Uttarakhand, India and Corporate Office is situated at 705-706, Vatika Professional Point, Sector-66, Golf Course Extension Road, Gurugram 122 001, Haryana, India and both are held by our Company on a leasehold basis. As of the date of this Draft Red Herring Prospectus, we operate four manufacturing facilities in Dehradun, Uttarakhand. All our manufacturing facilities are located on owned premises, except for a portion of our Dehradun Plant – I and Dehradun Plant - III, which are located on leased premises.

KEY REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to us. The information detailed in this section has been obtained from publications available in the public domain. The regulations and their descriptions set out below may not be exhaustive and are only intended to provide general information to the bidders and are neither designed nor intended to substitute for professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial, or administrative decisions.

Our Company is engaged in the business of manufacturing and dealing in pharmaceutical products. Under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations in India. For information regarding regulatory approvals required by our Company, see *"Government and Other Approvals"* on page 278.

The following is an overview of some of the important laws and regulations, which are relevant to our business of manufacturing and dealing in pharmaceutical products.

INDIAN LAWS APPLICABLE TO OUR COMPANY

Drugs (Control) Act, 1950 ("Drugs Act")

The Drugs Act provides for control of sale, supply, and distribution of drugs. Under the Drugs Act, any drug may be declared by the Central Government to be a drug within its purview. The authorities may also prohibit the disposal or direct the sale of any specified drug.

Drugs and Cosmetics Act, 1940 ("DCA") and the Drugs and Cosmetics Rules, 1945 ("DCA Rules")

The DCA regulates the import, manufacture, distribution and sale of drugs and cosmetics and prohibits the import, manufacture and sale of certain drugs and cosmetics which are, *inter alia*, misbranded, adulterated, spurious or harmful. The DCA Rules specify the requirement of a license for the manufacture or sale of any drug or cosmetic including for the purpose of examination, testing or analysis. It further mandates that every person holding a license must keep and maintain such records, registers and other documents as may be prescribed which may be subject to inspection by the relevant authorities.

Drugs (Prices Control) Order, 2013 ("DPCO")

The DPCO prescribes *inter alia* the ceiling price of scheduled formulations, retail price of a new drug for existing manufacturers of scheduled formulations, maximum retail price of scheduled formulations. Under the DPCO, the Central Government may issue directions to the manufacturers of active pharmaceutical ingredients or bulk drugs and formulations to increase production or sell such active pharmaceutical ingredient or bulk drug to such manufacturers of formulations and direct the formulators to sell the formulations to institutions, hospitals or any agency. The DPCO procedures for fixing the ceiling price of scheduled formulations of specified strengths or dosages, retail price of new drug for existing manufacturers of scheduled formulations, method of implementation of prices fixed by Central Government and penalties for contravention of its provisions.

The Narcotic Drugs and Psychotropic Substances Act, 1985 ("NDPS Act")

The NDPS Act is a legal framework which seeks to control and regulate operations relating to narcotic drugs and psychotropic substances. It prohibits, *inter alia*, the cultivation, production, manufacture, possession, sale, purchase, transportation, warehousing, consumption, inter-state movement, transhipment and import and export of narcotic drugs and psychotropic substances, except for medical or scientific purposes. It also controls and regulates controlled substances which can be used in the manufacturing of narcotic drugs and psychotropic substances. Offences under the NDPS Act are related to violations of the various prohibitions imposed under the NDPS Act, punishable by both imprisonment and monetary fines.

The Boilers Act, 1923 ("Boilers Act")

The Boilers Act and rules thereof encompass rules and regulations for the safe and proper construction, erection, repair, use and operation of boilers. The Boilers Act also lays down the process for formulation of boiler rules, examination by and appointment of boiler inspectors, provisions for inspection certifications and imposition of penalties for the violations of any provisions of the Boilers Act.

The Legal Metrology Act, 2009 ("Legal Metrology Act")

The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The key features of the Legal Metrology Act are (a) appointment of Government approved test centres for verification of weights and measures; (b) allowing the companies to nominate a person who will be held responsible for breach of provisions of the Legal Metrology Act. Any non-compliance or violation of the provisions of the Legal Metrology Act may result in, among others, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

Bureau of Indian Standards Act, 2016 ("BIS Act")

The BIS Act establishes the Bureau of Indian Standards (BIS) as the national standards body of India. The BIS Act has enabling provisions for the Government to bring under compulsory certification regime any goods or article of any scheduled industry, process, system or service which it considers necessary in the public interest or for the protection of human, animal or plant health, safety of the environment, or prevention of unfair trade practices, or national security.

The Electricity Act, 2003 ("Electricity Act")

The Electricity Act consolidates the laws relating to generation, transmission, distribution, trading and use of electricity. It lays down provisions in relation to transmission and distribution of electricity. It states that the State Government can specify suitable measures for specifying action to be taken in relation to any electric line or electrical plant, or any electrical appliance under the control of a consumer for the purpose of eliminating or reducing the risk of personal injury or damage to property or interference with its use.

The Petroleum Act, 1934 ("Petroleum Act")

The Petroleum Act regulates the import, transport and storage of petroleum. Persons intending to use petroleum in the manner provided need to acquire a license for the same from relevant authorities. The Central Government, may from time to time, declare by rules and notifications places where petroleum may be imported, the periods within which license shall be applied for, regulations relating to transport of petroleum, nature and conditions in which they may be stored etc.

The Explosives Act, 1884 ("Explosives Act") and the Explosives Rules, 2008 ("Explosives Rules")

The Explosives Act regulates the manufacture, possession, use, sale, transport, import and export of explosives and empowers the Central Government to make rules for the regulation and prohibition of these activities in relation to any specified class of explosives. Persons lawfully involved in these activities are required to obtain a license from the appropriate authority in terms of the provisions of the Explosives Act. In furtherance to the purpose of this Act, the Central Government has notified the Explosive Rules in order to regulate the manufacture, import, export, transport and possession for sale or use of explosives.

The Food Safety and Standards Act, 2006 (the "FSSA")

The FSSA was enacted with a view to consolidate the laws relating to food and establish the Food Safety and Standards Authority of India ("**FSSAI**") for setting out scientific standards for articles of food and to regulate their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption. The standards prescribed by the FSSAI include specifications for ingredients, contaminants, pesticide residue, biological hazards and labels. The FSSA also sets out requirements for licensing and registering food businesses, general principles of food safety, and responsibilities of the food business operator ("**FBO**") and liability of manufacturers and sellers, and adjudication by 'Food Safety Appellate Tribunal'.

In exercise of powers under the FSSA, the FSSAI has also framed the Food Safety and Standards Rules, 2011 (the "**FSSR**"). The FSSR sets out the enforcement structure and procedures comprising of qualifications and duties of the of 'commissioner of food safety', 'the food safety officer' and 'the food analyst' and procedures of taking extracts, seizure, sampling and analysis. The FSSA also lays down penalties for various offences (including food recall procedures). The Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011 provides for the conditions and procedures for registration and licensing process for food business and lays down general requirements to be fulfilled by various FBOs, including petty FBOs as well as specific requirements to be fulfilled by businesses dealing with certain food products.

In terms of the Food Safety and Standards (Food Recall Procedure) Regulations, 2017, every FBO engaged in manufacturing of food is required to have a food recall plan. The packaging done by a FBO is required to comply with the Food Safety and Standards (Packaging) Regulations, 2018, while labelling and display of prepackaged food items must comply with the Food Safety and Standards (Labelling and Display) Regulations 2020.

According to the Food Safety and Standards (Licensing and Registration of Food Business) Amendment Regulations, 2018, an e-commerce FBO (which includes sellers and brand owner who display or offer their food products, through e-commerce, and providers of transportation services for the food products and/or providing last mile delivery transportation to the end consumers), is required to obtain central license from the concerned central licensing authority.

FSSAI Guidance Note on 'Food Hygiene and Safety Guidelines for Food Businesses during Coronavirus Disease (COVID-19) Pandemic' ("COVID-19 Guidance Note")

The COVID-19 Guidance Note was issued with an intent to provide guidance to food businesses, including their personnel involved in handling of food and other employees to prevent spread of COVID-19 in the work environment and any incidental contamination of food/food packages. It also provides guidance in relation to operative mechanism such as establishment of an in-house emergency response team in large food businesses to deal with suspected COVID-19 infections effectively. It mandates that employers should have a COVID-19 screening protocol in place to screen all personnel entering the premise. All the employees or visitors should be screened at entry point for the symptoms of COVID-19 such as, among others, temperature (using non-contact type thermometer), cough, cold etc. The entrance shall mandatorily have measures installed for hand

hygiene. Employees and food handlers should be encouraged to self-declare any symptoms of any respiratory illness before visiting the premises. To spread awareness and contain the spread of the disease, employers should employ and ensure compliance with numerous measures such as, among others, display of posters/standees/audio visuals on preventive measures for COVID-19, frequent usage of alcohol-based sanitisers, avoidance of close contact with symptomatic personnel, usage of face masks, and frequent cleaning and disinfection. Food sectors involved in food services, takeaways and deliveries shall ensure, among others, that the food service area shall be thoroughly cleaned and disinfected after every meal, hand wash facilities should be made available to the workers, employees wear a clean uniform, mask/face cover, gloves and head covers at all times, adoption of contactless delivery. The COVID-19 Guidance Note prescribes guidelines for management of the food establishment to handle a COVID-19 suspect/positive case in accordance with the guidelines issued by Ministry of Health and Family Welfare and clean and disinfect the premises accessed by the COVID-19 positive person.

The COVID-19 Guidance Note mandates strict adherence to General Hygiene Practices specified under Schedule IV of Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011 ("**Schedule IV**"). Schedule IV enumerates multiple compulsory measures to be adopted by FBOs in the interest of human nutrition, safety, and hygiene. Schedule IV mandates that the premises shall be clean, adequately lighted, and ventilated, and sufficient free space for movement shall be made available. In relation to personal hygiene – all employees should wash their hands properly and they should be made aware of measures to avoid cross-contamination. Further, among other things, eating, chewing, smoking, spitting and nose blowing shall be prohibited within the premises especially while handling food, and persons suffering from infectious diseases shall not be permitted to work. Any cuts or wounds shall remain covered at all time and the person should not be allowed to come in direct contact with food.

Laws relating to environment

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes given below is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards ("**PCBs**"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state and in the Centre. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are required to be periodically renewed.

Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State Pollution Control Board ("**State PCB**"). The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent.

Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

The Air Act requires that any individual, industry or institution responsible for emitting smoke or gases must apply in a prescribed form and obtain consent from the State PCB prior to establishing or operating any industrial plant in an air pollution control area. The State PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

Environment Protection Act, 1986 ("EP Act") and the Environment Protection Rules, 1986 ("EP Rules")

The EP Act has been enacted with an objective of protection and improvement of the environment and for matters connected therewith. As per the EP Act, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the EP Act, including the power to direct the closure, prohibition or regulation of any industry, operation or process. The EP Rules prescribes the standards for emission or discharge of environmental pollutants from industries, operations or processes, for the purpose of protecting and improving the quality of the environment and preventing and abating environmental pollution.

Bio-Medical Waste Management Rules, 2016 ("BMW Rules")

The BMW Rules apply to all persons who generate, collect, receive, store, transport, treat, dispose or handle bio-medical waste in any form. The BMW Rules mandate every occupier of an institution generating bio-medical waste to take all necessary steps to ensure that such waste is handled without any adverse effect to human health and environment and *inter alia* to make provisions for a safe premises, ventilated and secured location for storage of segregated bio-medical waste, pre-treat laboratory waste and provide training to workers involved in handling bio-medical waste. The BMW Rules further require such persons to apply to the prescribed authority for grant of authorization and submit an annual report to the prescribed authority and also to maintain records related to the generation, collection, receipt, storage, transportation, treatment, disposal, or any form of handling of bio-medical waste in accordance with the BMW Rules and the guidelines issued thereunder.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("Hazardous Waste Rules")

The Hazardous Waste Rules define the term 'hazardous waste' to include any waste which by reason of physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive characteristics cause danger or is likely to cause danger to health or environment, whether alone or in contact with other wastes or substances including waste specified in the schedules to the Hazardous Waste Rules. In terms of the Hazardous Waste Rules, occupiers, being persons who have control over the affairs of a factory or premises or any person in possession of hazardous or other waste, have been, *inter alia*, made responsible for safe and environmentally sound management of hazardous and other wastes generated in their establishments and are required to obtain license/ authorisation from the respective State PCB for handling, generation, collection, storage, packaging, transportation, usage, treatment, processing, recycling, recovery, pre-processing, co-processing, utilising, selling, transferring or disposing hazardous or other waste.

Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 (the "Hazardous Chemical Rules")

The Hazardous Chemical Rules, as amended, were framed under the Environment Protection Act, 1986. The Hazardous Chemical Rules apply to sites in which certain hazardous chemicals are manufactured or stored. An occupier who has control of an industrial activity is required to provide evidence to show that it has identified the major accident hazards; and taken adequate steps to prevent such major accidents and to limit their consequences to persons and the environment. Further, the occupier is required to provide to persons working on the site with the information, training and equipment including antidotes necessary to ensure their safety. Under the Hazardous Chemical Rules, the occupier is required to submit safety report as specified in Schedule 8 of the Hazardous Chemical Rules. Among other things, the occupier is required to prepare and keep updated on site emergency plan as per Schedule 11 of the Hazardous Chemical Rules, detailing how a major accident will be dealt with on the site on which industrial activity is carried on. The occupier is under an obligation to notify the concerned authority of the occurrence of a major accident on their site or in a pipeline within forty eight hours of such accident.

Noise Pollution (Regulation and Control) Rules, 2000 ("Noise Pollution Rules")

The Noise Pollution Rules regulate and control the noise producing and generating sources including from industrial activity, and sets ambient air quality standards in respect of noise for different areas/zones. The Noise Pollution Rules provide for penalties in accordance with the EP Act for use of loud speakers, public address system, among others, in a silence zone or area.

Public Liability Insurance Act, 1991 ("Public Liability Act")

The Public Liability Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of 'hazardous substances' covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to obtain an insurance policy insuring against liability under the Public Liability Act. The rules made under the Public Liability Act mandate that the owner has to contribute towards the Environment Relief Fund, a sum equal to the premium payable to the insurer under the insurance policies.

Laws related to intellectual property

Trade Marks Act, 1999 ("Trade Marks Act")

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement of such marks. Application for the registration of trademarks has to be made to Controller-General of Patents, Designs and Trade Marks who is the Registrar of Trademarks for the purposes of the Trade Marks Act. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks and using them to cause confusion among the public.

The Patents Act, 1970 ("Patents Act")

The Patents Act governs the patent regime in India. India is a signatory to the Trade Related Agreement on Intellectual Property Rights ("**TRIPS**"); India recognizes both product as well as process patents. The Patents Act provides for the following, among other things:

- Patent protection period of 20 years from the date of filing the patent application;
- Recognition of product patents in respect of food, medicine and drugs;
- Import of patented products will not be considered as an infringement;
- Under certain circumstances, the burden of proof in case of infringement of process patents may be transferred to the alleged infringer; and
- Application for a patent can be filed in any of the four patent offices in India.

Laws relating to taxation

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

- Central Excise Act, 1944;
- Central Goods and Service Tax Act, 2017 and various state-wise legislations made thereunder;
- Central Sales Tax Act, 1956 and various state-wise legislations made thereunder;
- Customs Act, 1961;
- Income Tax Act 1961 and the Income Tax Rules, 1962, as amended by the Finance Act in respective years;
- Indian Stamp Act, 1899 and various state-wise legislations made thereunder;
- Integrated Goods and Services Tax Act, 2017;
- State-wise legislations in relation to professional tax;
- United Provinces Excise Act, 1910 (as adapted and modified in Uttaranchal);
- Uttar Pradesh Electricity (Duty) Act, 1952; and
- Uttarakhand Value Added Tax Act, 2005.

Laws relating to employment

Certain other laws and regulations relating to employment that may be applicable to our Company include the following:

- Apprentices Act, 1961;
- Contract Labour (Regulation & Abolition) Act, 1970;
- Employees Compensation Act, 1923;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;
- Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
- Equal Remuneration Act, 1976;
- Factories Act, 1948;
- Industrial Disputes Act, 1947;
- Industrial Employment (Standing Order) Act, 1946.
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- Punjab Labour Welfare Fund Act, 1965;
- Punjab Shops and Commercial Establishments Act, 1958;
- Sales Promotion Employees (Condition of Service) Act, 1976;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- The Maternity Benefit Act, 1961;
- Trade Unions Act, 1926; and
- Uttar Pradesh Industrial Establishments (National Holidays) Act, 1961;

The Government of India has recently enacted four labour codes, namely, The Code on Wages, 2019 ("**Wage Code**"), The Industrial Relations Code, 2020 ("**Industrial Code**"), The Occupational Safety, Health and Working Conditions Code, 2020 ("**Safety and Health Code**"), and The Code on Social Security, 2020 ("**Social Security Code**"). The Wage Code, Industrial Relations Code, Safety and Health Code, and Social Security Code have received the President of India's assent, and will come into force at a date notified by the Central Government.

The Wage Code amends and consolidates laws relating to wages and bonus. It subsumes and replaces four existing laws, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.

The Industrial Relations Code consolidates and amends laws relating to trade unions, conditions of employment in industrial establishment or undertaking, investigation and settlement of industrial dispute. It subsumes and replaces the Industrial Disputes Act, 1947, Trade Unions Act, 1926, and Industrial Employment (Standing Orders) Act, 1946.

The Safety and Health Code subsumes and replaces certain existing labour legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.

The Social Security Code subsumes and replaces certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008.

Laws relating to foreign investment

Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA NDI Rules")

The FEMA NDI Rules, as formulated under the Foreign Exchange Management Act, 1999, place restrictions on investment in India by a person resident outside India and restrictions on receiving investments by Indian entities from persons resident outside India. Any investment made by a person resident outside India is subject to the entry routes, sectoral caps, or the investment limits, as the case may be, and the attendant conditionalities for such investment as laid down in the rules. The FEMA NDI Rules, *inter alia*, govern (i) investment by person resident outside India in equity instruments of India companies, including participation in rights issue and bonus issue; (ii) transfer of equity instruments of an Indian company by or to a person resident outside India; (iii) investment by foreign portfolio investors ("**FPI**") and transfer of equity investments of an Indian company by FPIs; (iv) investment by non-resident Indians ("**NRI**") and overseas citizen of India ("**OCI**") and transfer of equity instruments by NRIs and OCIs; (v) investment by foreign venture capital investor ("**FVCI**") and transfer of equity instruments of an Indian company by or to a FVCI.

Currently under the FEMA NDI Rules, the sectoral cap for the pharmaceutical sector is as follows: (i) for greenfield projects, 100% FDI is permitted under the automatic route; (ii) for brownfield projects (other than manufacturing of medical devices), 74% FDI is permitted under the automatic route and beyond 74% FDI is permitted under the government approval route; and (iii) for brownfield projects for manufacturing of medical devices, 100% FDI is permitted under the automatic route.

Foreign investment in brownfield pharmaceuticals, irrespective of entry route, is further subject to the following conditions: (i) the production level of National List of Essential Medicines ("**NLEM**") drugs and/ or consumables and their supply to the domestic market at the time of induction of foreign investment, being maintained over the next five years at an absolute quantitative level; (ii) research and development expenses being maintained in value terms for five years at an absolute quantitative level at the time of induction of foreign investment; (iii) the Ministry of Health and Family Welfare, Department of Pharmaceuticals ("**Administrative Ministry**") must be provided complete information pertaining to the transfer of technology, if any, along with induction of foreign investment into the investee company; and (iv) the Administrative Ministry or any other regulatory agency or department as notified by Central Government from time to time, will monitor the compliance of conditionalities. Further, non-compete clause in any agreement between the foreign investor and the investee brownfield pharmaceutical entity is not allowed except in special circumstances with the Government approval.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as 'Windlas Biotech Limited' on February 19, 2001 at New Delhi as a public limited company under the Companies Act, 1956 and was granted a certificate of incorporation by RoC Delhi. Further, our Company received the certificate for commencement of business on March 5, 2001 from the RoC Delhi. The Registered Office of our Company was shifted from the state of Delhi to the state of Uttarakhand pursuant to a special resolution passed by our Shareholders on August 22, 2009. The alteration with respect to the place of the Registered Office was confirmed by the order of the Company Law Board, New Delhi on August 5, 2010 and a fresh certificate of registration was issued by the Registrar of Companies, Uttar Pradesh and Uttarakhand located at Kanpur on February 18, 2011. Subsequently, our Company was converted into a private limited company pursuant to a special resolution passed by our Shareholders on March 30, 2016 and a fresh certificate of incorporation consequent upon conversion and change of name to 'Windlas Biotech Private Limited' was granted by the Registrar of Companies, Uttarakhand located at Kanpur on July 22, 2016. Our Company was converted from a private limited company to a public limited company pursuant to a special resolution passed by our Shareholders on April 3, 2021, and the name of our Company was changed to 'Windlas Biotech Limited'. A fresh certificate of incorporation dated April 15, 2021 consequent upon change of name on conversion to a public limited company was granted by the RoC.

Changes in the registered office

Except as disclosed below, there has been no change in the registered office of our Company since the date of incorporation.

Date of change of registered office	Details of change of registered office	Reasons for change in the registered office
August 5, 2010	Shifting of registered office of the Company from 204, Ajit Singh Building, Yusuf Sarai Commercial Complex, New Delhi 110 049, India to 40/1 Mohabewala Industrial Area, Dehradun 248 110, Uttarakhand, India.	Operational convenience
January 5, 2008	Shifting of registered office of the Company from Y-8A, Hauz Khas, New Delhi 110 016, India to 204, Ajit Singh Building, Yusuf Sarai Commercial Complex, New Delhi 110 049, India.	Administrative convenience

Main objects of our Company

The main objects contained in our Memorandum of Association are as follows:

1. *To carry on the business of manufacturers, importers and exporters, suppliers, assemblers, distributors, processors, buyers and sellers, refiners, manipulators, agents, factors for chemicals, bulk drugs, pharmaceuticals, nutraceuticals, medicines, herbs and their extracts or other allied bye-products as maybe connected with all or any of business carried on by the Company at any time.*

2. *To act as technical consultants, managers, advisors in the field of manufacture of pharmaceuticals and medicines etc.*

3. *To carry on in India or elsewhere the business as manufacturers of and exporters and dealers in all kinds and classes of compost, bio-fertilizers, organic and inorganic manures, fertilizers, chemicals, insecticides, pesticides, sprayers and dusters.*

4. *To establish and run plants for treatment of waste garbage, sludge for manufacture of compost through high rate mechanical/natural, aerobic composting process and/or biotechnology process and to enter into collaboration or other arrangements with government, semi-government, local bodies, municipal corporations and others for manufacture and distribution of the same.*

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried out and proposed to be carried out by us.

Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the last 10 years:

Date of Shareholders' resolution/ Effective date	Particulars
April 17, 2021	• Sub-division of equity shares of face value of ₹10 each into Equity Shares of face value of ₹5 each. • Clause V of the MoA was amended to reflect the change in the authorised share capital of the Company from ₹775,000,000 divided into 54,000,000 equity shares of ₹10 each, 300,000 preference shares of ₹100 each and 20,500,000 preference shares of ₹10 each to ₹775,000,000 divided into 108,000,000 Equity Shares of ₹5 each, 300,000 preference shares of ₹100 each and 20,500,000 preference shares of ₹10 each.
April 3, 2021	Clause I of the MoA was amended to reflect the change in name of our Company from Windlas Biotech Private Limited to Windlas Biotech Limited due to the conversion of our Company from a private limited company to a public limited company.
May 1, 2020	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹95,000,000 divided into 6,500,000 equity shares of ₹10 each and 300,000 preference shares of ₹100 each to

Date of Shareholders' resolution/ Effective date	Particulars
	₹775,000,000 divided into 54,000,000 equity shares of ₹10 each, 300,000 preference shares of ₹100 each and 20,500,000 preference shares of ₹10 each, pursuant to the merger of Windlas Healthcare with our Company.
November 12, 2018	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹90,000,000 divided into 6,000,000 equity shares of ₹10 each and 300,000 preference shares of ₹100 each to ₹95,000,000 divided into 6,500,000 equity shares of ₹10 each and 300,000 preference shares of ₹100 each.
March 30, 2016	• Pursuant upon the conversion of the Company from public limited company to a private limited company, a new set of MoA was adopted as the MoA of the Company to incorporate the provisions of a private limited company. • Clause I of the MoA was amended to reflect the change in the name of our Company from 'Windlas Biotech Limited' to 'Windlas Biotech Private Limited'.
July 22, 2015	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹50,000,000 divided into 5,000,000 equity shares of ₹10 each to ₹90,000,000 divided into 6,000,000 equity shares of ₹10 each and 300,000 preference shares of ₹100 each.

Major events and milestones of our Company

The table below sets forth some of the key events in the history of our Company:

Year	Event
2021	• Approval of Scheme of Amalgamation of our erstwhile subsidiary, Windlas Healthcare, with and into our Company
2018	• Launched first product in the United States from the Dehradun Plant – IV situated at plot no. 183 and 192, Mohabewala Industrial Area, Dehradun 248 110 • Commenced operations at Dehradun Plant – III situated at plot no. 39, Pharmacity, Selaqui, Dehradun 248 197
2017	• Revenues crossed ₹3,000 million for the FY 2016-17
2015	• Investment of ₹750 million from Tano India Private Equity Fund II
2014	• Received first USFDA inspection clearance for the WHC Plant • Revenues crossed ₹2,000 million for the FY 2013-14 • Commenced operations at Dehradun Plant – II situated at khasra no. 141 to 143 and 145, Mohabewala Industrial Area, Dehradun 248 110
2010	• Revenues crossed ₹1,000 million for the FY 2009-10
2009	• Commenced operations at Dehradun Plant – IV situated at plot no. 183 and 192, Mohabewala Industrial Area, Dehradun 248 110
2001	• Commenced operations at Dehradun Plant – I situated at 40/1, Mohabewala Industrial Area, Dehradun 248 110 and initiated commercial production

Awards, accreditations and recognitions received by our Company

Year	Awards
2019	• Our Company was awarded the certificate of appreciation from the Secretary, Bureau of Energy Efficiency for valuable contributions in implementing energy efficiency and cleaner production measures under the project 'Financing Energy Efficiency at MSMEs'. • Our Company was awarded the certificate of partnership recognising our contribution to and participation in the Swasth Bharat Yatra, a pan-India cyclothon organised by the Food Safety and Standards Authority of India.
2018	• Our Company was awarded the TV100 Industrial Excellence Award in the field of medicine.

Time and cost over-runs

There have been no time and cost over-runs in respect of our business operations.

Defaults or re-scheduling, restructuring of borrowings with financial institutions/banks

There have been no defaults or re-scheduling/ re-structuring in relation to borrowings availed by our Company from any financial institutions or banks.

Significant financial or strategic partners

As of the date of this Draft Red Herring Prospectus, our Company does not have any significant financial or strategic partners.

Launch of key products or services, entry into new geographies or exit from existing markets, capacity/ facility creation or location of plants

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, capacity/ facility creation, and location of our manufacturing facilities, see "*Our Business*" on page 128.

Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamations or any revaluation of assets, in the last 10 years

Our Company has not acquired any business or undertaking and has not undertaken any merger, amalgamation or revaluation of assets in last 10 years except as disclosed below:

Acquisition of Windlas Healthcare

Scheme of Amalgamation

Our Company filed a scheme of amalgamation under Section 233 of the Companies Act, 2013 dated October 31, 2020 before the Regional Director (NR), Ministry of Corporate Affairs at New Delhi ("**Regional Director**") for amalgamation of our erstwhile wholly owned subsidiary, Windlas Healthcare with our Company ("**Scheme of Amalgamation**").

The rationale of the Scheme of Amalgamation was to, *inter alia*, consolidate the entities and avoiding duplication of work and efforts, achieve greater efficiency in the overall combined business of the companies, eliminate inter-corporate dependencies, minimise the administrative compliance, maximise shareholders' value, reduce overheads, optimally utilise resources, and motivate the employees of our Company by providing them better opportunities to enhance the performance with the larger corporate entity and provide impetus for better corporate performance.

Pursuant to the Scheme of Amalgamation, all the undertakings and entire business of the Windlas Healthcare, as a going concern, including, *inter alia*, (i) all the assets and properties (including movable, immovable, tangible and intangible properties) and encumbrances over any of the assets; (ii) all debts, borrowings and liabilities; (iii) all the licenses, permits, incentives, rights, claims, and other privileges enjoyed or conferred upon or held or availed thereunder; (iv) all the employees, without any break or interruption of service; and (v) all suits, actions, and other proceedings including legal and taxation proceedings, including before any government authority by or against or relating to Windlas Healthcare, shall be transferred to and vested in and be deemed to have been transferred to and vested in our Company. Pursuant to the Scheme of Amalgamation, the authorised share capital of Windlas Healthcare stood combined with the authorised share capital of our Company. No new Equity Shares have been issued or payment in cash made in consideration by the Company for cancellation and extinguishment of the equity shares of Windlas Healthcare. With effect from May 1, 2020, all the equity shares issued by the Windlas Healthcare and held by our Company and nominees of our Company, stood cancelled and extinguished without any further application, act or deed.

The Scheme of Amalgamation received the confirmation of the Regional Director on December 24, 2020. The effective date for the Scheme of Amalgamation is January 21, 2021, being the date on which a certified copy of the confirmation order of the Regional Director was filed with the RoC, and the amalgamation of Windlas Healthcare with our Company has taken place with effect from May 1, 2020 i.e., the appointed date as per the Scheme of Amalgamation.

Share purchase agreement dated April 16, 2020 between the Company, Windlas Healthcare, Individual Promoters, and Cadila Healthcare Limited ("SPA I")

Pursuant to the SPA I, Cadila Healthcare Limited ("**Cadila**") transferred 944,233 equity shares having face value of ₹10 each representing 2.00% of the total issued and paid-up share capital of Windlas Healthcare to the Company for a consideration aggregating to ₹40.59 million. Upon purchase of the equity shares, our Company held 51.00% of the total issued and paid-up capital of Windlas Healthcare on a fully diluted basis, and Windlas Healthcare ceased to be the subsidiary of Cadila and became a subsidiary of our Company.

Share purchase agreement dated April 30, 2020 between the Company, Windlas Healthcare, Individual Promoters, and Cadila Healthcare Limited ("SPA II")

Pursuant to the SPA II, Cadila transferred 23,133,717 equity shares having face value of ₹10 each representing 49.00% of the total issued and paid-up share capital of Windlas Healthcare to the Company for a consideration aggregating to ₹994.41 million. Upon purchase of the shares, our Company held 100% of the total issued and paid-up capital of Windlas Healthcare on a fully diluted basis, and Windlas Healthcare became a wholly owned subsidiary of our Company.

Holding company

As of the date of this Draft Red Herring Prospectus, our Company does not have any holding company.

Our Subsidiary

As of the date of this Draft Red Herring Prospectus, our Company has one subsidiary.

Windlas, Inc.

Corporate Information

Windlas, Inc. was incorporated as a corporation under the General Corporation Law of Delaware on November 29, 2016 , with the Secretary of State, Division of Corporations, State of Delaware, under the laws of state of Delaware, and received its

certificate for commencement of business on November 29, 2016.It has its registered office at 1013, Centre Road, Suite 403-B, Wilmington, DE 19805, USA.

Windlas, Inc. is engaged in the business of marketing and distribution of pharmaceutical products in USA and other markets as authorized under the objects clause of its memorandum of association / constitutional documents.

Capital Structure

The authorized share capital of Windlas, Inc. is $5000 divided into 5,000 shares of capital stock of $1 each and its issued, subscribed and paid up share capital stock is $5000 divided into 5,000 shares of capital stock of $1 each.

Shareholding pattern

The shareholding pattern of Windlas, Inc. is as follows:

Name of the Shareholder	Number of shares of capital stock face value $1 each	Percentage of the total capital stockholding (%)
Windlas Biotech Limited	5,000	100
Total	5,000	100

There are no accumulated profits or losses of Windlas, Inc. not accounted for by our Company.

Our Joint Venture

As of the date of this Draft Red Herring Prospectus, our Company has one joint venture.

USpharma Windlas LLC

Corporate Information

USpharma Windlas LLC was organized as a limited liability company under the Missouri Limited Liability Company Act ("**Missouri LLC Act**") on April 6, 2016 with the Secretary of State, State of Missouri and received its certificate of organization on April 6, 2016. Its corporate identification number is LC001486960. It has its registered office at 118, Hout Street, Warrensburg, MO 64093, USA.

USpharma Windlas LLC is engaged in the business of managing abbreviated new drug applications ("**ANDA**") related matters, and for marketing and commercialisation of the Company's ANDA related products.

Capital Structure

The recited capital contribution of USpharma Windlas LLC is $10,000, with each member contributing $5,000.

Shareholding

The details of membership of USpharma Windlas LLC is as follows:

Name of the Shareholder	Membership interest (in $)	Percentage of membership holding (%)
Windlas, Inc.	5,000	50
USPharma Ltd.	5,000	50
Total	10,000	100

There are no accumulated profits or losses of USpharma Windlas LLC not accounted for by our Company.

Shareholders' agreements and other agreements

Key terms of shareholders' agreements

Shareholders' agreement dated July 18, 2015 entered into between our Company, Tano India Private Equity Fund II ("Tano"), Windlas Healthcare, the Individual Promoters, and Prachi Windlass, Payal Windlass, Vani Shukla and Vimla Windlass (collectively the "Confirming Parties"), as amended by the amendment agreement dated October 14, 2015 and the second amendment agreement dated September 4, 2018 (collectively, the "SHA"), and as amended further by the waiver cum amendment agreement to the SHA dated May 10, 2021 ("WCA Agreement")

Our Company, Tano, the Individual Promoters and the Confirming Parties have entered into the SHA to govern their *inter se* rights and obligations in our Company, affiliates and subsidiaries. Pursuant to the terms of the SHA, Tano is entitled to appoint such number of directors as would be in proportion to the percentage shareholding held by it, subject to a minimum one non-retiring director, at all times and the Individual Promoters are entitled to collectively nominate at least three directors. Further, the directors appointed by Tano will at all times be non-executive directors of the Company and have no responsibility for the

day to day management of the Company. Tano has affirmative rights in relation to certain matters including, *inter alia*, changes in the charter documents, changes in the capital structure of the Company including issuance of equity shares or equity linked securities, declaration and distribution of dividends, related party transactions, increase in the number of directors on the Board, decisions relating to IPO, appointment of or change of statutory auditors, mergers, amalgamation, business restructuring, reorganisation and any commitment or agreement to do any of the reserved matters, as set out in the SHA. Tano is entitled to receive information from the Company in relation to *inter alia* financial statements, audit reports, management information statements, copies of minutes of Board, committees, and general meetings, and information as requested. Tano is entitled to pre-emptive rights in case of any new issuance of shares by the Company, other than an IPO or further public issue or rights issue. The Individual Promoters and Confirming parties require the prior written consent of Tano to transfer their shares and/or voting interests in the Company. In the event of such transfer of shares held by the Individual Promoters or Confirming Parties, Tano has the right of first offer and tag along rights. In the event that Tano decides to transfer its shares, the Individual Promoters are entitled to a right of first offer. Tano is also entitled to differential rights protection in case of a further issue of shares of the Company and anti-dilution rights in case of any split, consolidation, combination, or recapitalisation which may result in dilution of the shareholding of Tano.

Under the SHA, events of default include, *inter alia*, any breach by the Company or the Individual Promoters of the provisions relating to composition of Board, affirmative voting rights, pre-emptive rights, transfer of shares, differential rights protection, anti-dilution rights, and exit options. In case of occurrence of any event of default under the SHA, Tano has the right to exercise put option and the Company and Individual Promoters are jointly obligated to purchase the shareholding of Tano either through a buy-back by the Company, the Individual Promoters, or a third party identified by the Company and/or the Individual Promoters. In the event of the Company and/or the Individual Promoters failing to consummate Tano's put option, Tano can require the Company and/or the Individual Promoters to identify a third party purchaser or identify a third party purchaser itself to whom Tano will have a right to transfer all its shares and if required, Tano can exercise drag along rights against the Individual Promoters shareholding in order to facilitate such transfer. The SHA will terminate in the event of, *inter alia*, Tano ceasing to be a Shareholder in the Company.

The WCA Agreement is effective from its execution date i.e., May 10, 2021 ("**Execution Date**") and shall remain in effect until the earlier of: (i) the long stop date i.e., the date nine months from the Execution Date or such other extended date as may be mutually agreed to by the parties; (ii) consummation of the Offer; or (iii) the date on which the Company and the Selling Shareholders jointly decide not to undertake the Offer ("**Term**"). Pursuant to the WCA Agreement, all parties have agreed to waive their information rights from the date of filing of the red herring prospectus by our Company, except to the extent that the Company has disclosed to stock exchanges or otherwise made available in the public domain. Further, each party, to the extent that such party is entitled to rights under the SHA, has agreed to waive *inter alia*, its right to appoint an observer to attend meetings of the Board and committees of the Board, pre-emptive rights, anti-dilution rights, differential rights protection and transfer rights, for the duration of the Term. In the event that the Offer is not completed on or prior to the long stop date, or if the Company and Selling Shareholders jointly decide not to undertake the Offer, the WCA Agreement shall stand immediately and automatically terminated with effect from the long stop date or the date on which the Company and Selling Shareholders jointly decide not to undertake the Offer, without any further action by any party.

Deed of adherence dated May 10, 2021 entered into between Promoter Trust, the Company, and Tano, the Individual Promoters, Prachi Jain Windlass, Payal Windlass and Vimla Windlass (collectively the "Continuing Shareholders") ("Deed of Adherence")

The Deed of Adherence is supplemental to the shareholders' agreement dated July 18, 2015, as amended. Pursuant to the Deed of Adherence, and in consideration of Ashok Kumar Windlass having transferred to the Promoter Trust and in consideration of the Company and the Continuing Shareholders having agreed to such transfer, the Promoter Trust has covenanted to observe, perform and be bound by all the terms of the shareholders' agreement dated July 18, 2015, as amended, and the AoA of the Company which are capable of being applied to the Promoter Trust and the Promoter Trust shall be deemed to be a Shareholder with effect from the date on which the Promoter Trust is registered as a member of the Company. For details of the share transfer from Ashok Kumar Windlass to the Promoter Trust, see "*Capital Structure – Details of Equity Shares held by our Directors, Key Managerial Personnel, Promoters and Promoter Group*" on page 74.

Upside sharing letter under the SHA dated December 14, 2018 between the Company, Windlas Healthcare, Tano, the Individual Promoters, Prachi Windlass, Payal Windlass, Vani Shukla and Vimla Windlass ("Upside Letter"), as amended by the supplementary letter agreement dated May 10, 2021 to the Upside Letter ("Supplementary Letter Agreement")

The Upside Letter provides that on the occasion of Tano's exit from the Company, if the internal rate of return ("**IRR**") as calculated on the basis of the amount realized by Tano in cash exceeds a specified percentage on the amount invested by Tano in the Company, then Tano will share a specified percentage of such excess proceeds with the Individual Promoters.

The Supplementary Letter Agreement, entered subsequent to the Upside Letter, provides that in the event of the proposed exit by Tano pursuant to the IPO meets the threshold requirements set out under the Upside Letter, Tano shall make best efforts to ensure that the sharing of excess proceeds in the manner set out under the Upside Letter is undertaken, in a manner as may be mutually agreed amongst the Individual Promoters and Tano, at any time prior to receipt of listing and trading approval from the BSE and NSE for the listing and trading of the Equity Shares pursuant to the IPO.

Other Agreements

Operating agreement of USpharma Windlas LLC dated May 25, 2016 between USpharma, Ltd. and Windlas Healthcare and amended operating agreement of USpharma Windlas LLC dated May 27, 2016 between USpharma, Ltd. and Windlas Healthcare ("JV Agreement") read with assignment of membership interest, acceptance of assignment and ratification of operating agreement dated December 27, 2016 between USpharma, Ltd., Windlas Healthcare and Windlas, Inc. ("Assignment Agreement")

Pursuant to the JV Agreement, USpharma, Ltd. and Windlas Healthcare agreed to form a company with the name of USpharma Windlas LLC ("**USpharma Windlas**") incorporated under the Missouri LLC Act and agreed to make equal cash contributions of $5,000 each towards the capital of USpharma Windlas. As per the JV Agreement there shall be, at all times, at least one manager of USpharma Windlas having the title of 'managing director', selected by mutual consent of both members of the joint venture. In the event of the inability of a manager to be appointed, the CEO of USpharma Ltd. will be the default manager of USpharma Windlas. The manager shall have the power and ability to act for, and to bind, USpharma Windlas, to the extent allowed by law and the JV agreement. The manager shall have the exclusive right, authority, and responsibility to manage the day-to-day operations and affairs of USpharma Windlas and to make all decisions with respect thereto. The JV Agreement also requires that in relation to certain matters falling within the enumerated 'major decisions', no action may be taken or sum expended or obligation incurred by USpharma Windlas or the manager unless such decision has been approved by both members of the joint venture. Such decisions include, *inter alia*, the execution, amendment or modification of any marketing or distribution agreements for and on behalf of USpharma Windlas and the borrowing of money or incurring of indebtedness by USpharma Windlas in excess of US$5,000. The JV Agreement, *inter alia*, provides for transfer of FDA ownership of ANDAs owned by USpharma, Ltd. to USpharma Windlas, grant of exclusive, non-transferable, royalty-free right to all current and future intellectual property owned by Windlas Healthcare relevant to the four drugs mentioned in the schedule therein for USA and manufacture and supply of such drugs by Windlas Healthcare to USpharma Windlas at mutually agreed prices. This obligation imposed upon Windlas Healthcare survives any assignment by Windlas Healthcare to any of its subsidiary or affiliate. Pursuant to the Assignment Agreement, Windlas Healthcare assigned its 50.00% membership interest in USpharma Windlas to Windlas, Inc., including rights to compensation, profits, reimbursement, income, capital, vote and participate in the management of USpharma Windlas under the JV Agreement.

Share acquisition terms agreement dated July 18, 2015 entered into between our Company, Windlas Healthcare, the Individual Promoters and Tano, as amended by the share acquisition terms amendment agreement dated July 27, 2015 ("SATA")

Pursuant to the SATA, Tano subscribed to, and the Company agreed to allot to Tano 588,236 fully paid-up equity shares of face value of ₹10 at a premium of ₹839.99 per equity share and 294,117 fully paid-up compulsorily convertible preference shares ("**CCPS**") of face value of ₹100 at a premium of ₹749.99 per CCPS, for a subscription amount aggregating to ₹750 million. Further, pursuant to the SATA, Tano also purchased 82,353 equity shares of face value of ₹10 of the Company from Ashok Kumar Windlass, for a consideration aggregating to ₹70 million.

Agreements with Key Managerial Personnel, Director, Promoters or any other employee

Other than as disclosed in *"Shareholders' agreements and other agreements – Key terms of shareholders' agreements – Upside Letter*" and *"Shareholders' agreements and other agreements - Key terms of shareholders' agreements – Supplementary Letter Agreement*" on page 157, there are no agreements entered into by a Key Managerial Personnel or Director or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Board of Directors

In terms of the Articles of Association, our Company is required to have not less than three Directors and not more than fifteen Directors on the Board of Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises of eight Directors including four Executive Directors and four Non-Executive Directors, out of which three are Non-Executive Independent Directors. Our Board includes one woman director.

The following table sets forth details regarding our Board of Directors as of the date of this Draft Red Herring Prospectus:

S. No.	Name, designation, address, occupation, date of birth, period of directorship and DIN	Age (years)	Other directorships
1.	**Vivek Dhariwal** **Designation**: Chairman and Non-Executive Independent Director **Address**: 73, Kalpataru Pinnacle, Goregaon Mulund Link Road, Goregaon West, Mumbai 400 104 **Occupation**: Service **Date of birth**: December 21, 1966 **Period and term**: For a period of five years, with effect from May 6, 2021 and is not liable to retire by rotation **DIN:** 02826679	54	• Nil
2.	**Ashok Kumar Windlass** **Designation**: Wholetime Director **Address**: 53-R, Rajpur Road Dehradun 248 001, Uttarakhand, India **Occupation**: Business **Date of birth**: October 23, 1950 **Period and term**: For a period of five years, with effect from May 3, 2021 and is not liable to retire by rotation **DIN**: 00011451	70	• Windlas Exports Private Limited • Ashok Vimla Trusteeship Services Private Limited
3.	**Hitesh Windlass** **Designation**: Managing Director **Address**: D 1/2 B, Hibiscus, Sector 50, Gurgaon, Haryana-122001 **Occupation**: Business **Date of birth**: January 6, 1977 **Period and term**: For a period of five years, with effect from April 30, 2020 and is liable to retire by rotation **DIN**: 02030941	44	• Medicines Company (India) Private Limited • Windlas Inc.
4.	**Manoj Kumar Windlass** **Designation**: Joint Managing Director **Address**: 53-R, Rajpur Road Dehradun 248 001, Uttarakhand, India **Occupation**: Business **Date of birth**: September 24, 1978	42	• Windlas Exports Private Limited

S. No.	Name, designation, address, occupation, date of birth, period of directorship and DIN	Age (years)	Other directorships
	Period and term: For a period of five years, with effect from April 30, 2020 and is liable to retire by rotation **DIN:** 00221671		
5.	**Pawan Kumar Sharma** **Designation**: Executive Director **Address**: House No. 9, Lane No. 12 Aashirwad Enclave, Dehradun 248 001, Uttarakhand, India **Occupation**: Service **Date of birth**: July 2, 1960 **Period and term**: With effect from September 25, 2019 and is liable to retire by rotation **DIN:** 08478261	60	Nil
6.	**Prachi Jain Windlass** **Designation**: Non-Executive Director **Address**: D-1/2B, Hibiscus, Sector 50, Gurgaon, Haryana 122001 **Occupation**: Service **Date of birth**: August 17, 1976 **Period and term**: With effect from May 4, 2021 and is liable to retire by rotation **DIN:** 06661073	44	Sub-K Impact Solutions Limited
7.	**Srinivasan Venkataraman** **Designation**: Non-Executive Independent Director **Address**: 801-802 Ekta Oculus, 11th Floor N B Patil Marg Moti Baug Park Behind Ratna Department Store Chembur, Mumbai 400 071, Maharashtra India **Occupation**: Business **Date of birth**: April 25, 1974 **Period and term**: For a period of five years, with effect from May 6, 2021 and is not liable to retire by rotation **DIN:** 01132306	47	• BSG ITSOFT Private Limited • Moneytree Advisors Private Limited • Practus Advisors Private Limited • Practus Business Transformation Private Limited
8.	**Gaurav Gulati** **Designation:** Non-Executive Independent Director **Address:** E-82 Westend Heights DLF Phase 5 Gurgaon 122 002, Haryana, India **Occupation:** Business **Date of birth:** May 10, 1978 **Period and term:** For a period of five years, with effect from May 6, 2021 and is not liable to retire by rotation **DIN:** 02308392	43	• Cheferd Foods Private Limited • Dayzero Estates Private Limited • Dayzero Foods Private Limited • Dayzero Holdings Private Limited • Dayzero Infrastructure Private Limited • Freeelective Network Private Limited • Meritxell Ferre Design Studio Private Limited • Newgrowth Capital Advisors Private Limited • Purist Meals Private Limited • Roomology Studio Private Limited

Relationship between our Directors

Except as stated below, none of our Directors are related to each other:

Name of Director	Related Directors	Nature of relationship
Ashok Kumar Windlass	Hitesh Windlass	Son
	Manoj Kumar Windlass	Son
	Prachi Jain Windlass	Daughter-in-law
Hitesh Windlass	Ashok Kumar Windlass	Father
	Manoj Kumar Windlass	Brother
	Prachi Jain Windlass	Wife
Manoj Kumar Windlass	Ashok Kumar Windlass	Father
	Hitesh Windlass	Brother
	Prachi Jain Windlass	Sister-in-law
Prachi Jain Windlass	Ashok Kumar Windlass	Father-in-law
	Hitesh Windlass	Husband
	Manoj Kumar Windlass	Brother-in-law

Brief Biographies of Directors

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 20 years of experience in manufacturing and supply operations. He was previously associated with ICI India Limited, Baxter India Private Limited and Pfizer Limited.

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 20 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 is also the Chairman of the Confederation of Indian Industries Uttarakhand State Council. He has been conferred Uttarakhand Ratan at the 38th Annual All India Conference of Intellectuals organized 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.

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 13 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 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 15 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. He has received a certificate of appreciation on August 26, 2020 from DIG/Sr. Superintendent of Police Distt., Dehradun for his voluntary services rendered to the community and cooperation to the Police during the Covid-19 pandemic.

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 20 years of experience in the pharmaceutical industry. He joined our Company on April 1, 2001 as a Manager Taxations and Administrative and was elevated to the position of executive director on June 3, 2019.

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.

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.

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.

Confirmations

None of our Directors is, or was a director of any listed company during the last five years preceding the date of filing of this Draft Red Herring Prospectus, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorship in such company.

None of our Directors is, or was a director of any listed company which has been, or was delisted from any stock exchange during the term of their directorship in such company.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

Other than the sale deed dated November 27, 2018 executed by our Promoter, Ashok Kumar Windlass, in favour of our erstwhile subsidiary Windlas Healthcare, in respect of certain industrial property situated at Dehradun, Uttarakhand for a consideration consisting of, (i) ₹100 million paid in FY 2019; and (ii) ₹15 million previously paid by Windlas Healthcare to Ashok Kumar Windlass against an adjustment of unsecured loan, which subsequent to the amalgamation of Windlas Healthcare into our Company, is owned by our Company, our Promoters have no interest in any property acquired in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Terms of appointment of Directors

1. Remuneration to Executive Directors:

Ashok Kumar Windlass

Ashok Kumar Windlass was appointed as a Wholetime Director of our Company pursuant to a Board resolution dated May 3, 2021 and Shareholders' resolution dated May 4, 2021. He was paid a remuneration of ₹15.60 million in Fiscal 2021. Our Board and the Shareholders, pursuant to resolutions dated May 3, 2021 and May 3, 2021, respectively, have approved the following remuneration payable to him:

Term	With effect from May 3, 2021 and not liable to retire by rotation
Remuneration	Fixed Remuneration: ₹ 15.60 million per annum

Hitesh Windlass

Hitesh Windlass was appointed as the Managing Director of our Company pursuant to a Board resolution dated April 30, 2020 and Shareholders' resolution dated August 28, 2020. He was paid a remuneration of ₹7.98 million in Fiscal 2021. Our Board and the Shareholders, pursuant to resolutions dated May 3, 2021 and May 4, 2021, respectively, have approved the following remuneration payable to him:

Term	For a period of five years, w.e.f. April 30, 2020 and is liable to retire by rotation
Remuneration	• Fixed Remuneration: ₹ 8.7 million per annum • Commission up to 1.5% of Net Profits of our Company

Manoj Kumar Windlass

Manoj Kumar Windlass was appointed as a Joint Managing Director of our Company pursuant to a Board resolution dated April 30, 2020 and Shareholders' resolution dated August 28, 2020. He was paid a remuneration of ₹7.50 million in Fiscal 2021. Our Board and the Shareholders, pursuant to resolutions dated May 3, 2021 and May 4, 2021, respectively, have approved the following remuneration payable to him:

Term	For a period of five years, w.e.f. April 30, 2020 and is liable to retire by rotation
Remuneration	• Fixed Remuneration: ₹ 8.7 million per annum • Commission up to 1.5% of Net Profits of our Company

Pawan Kumar Sharma

Pawan Kumar Sharma was appointed as an Executive Director of our Company pursuant to a Board resolution dated June 3, 2019 and Shareholders' resolution dated September 25, 2019. The remuneration to him was ₹4.75 million in Fiscal 2021. Our Board and the Shareholders, pursuant to resolutions dated June 3, 2019 and September 25, 2019, respectively, have approved the following remuneration payable to him:

Term	With effect from June 3, 2019 and not liable to retire by rotation
Remuneration	• Basic salary: 1.50 million per month • House rent allowance: ₹0.06 million per month • Travel allowance: ₹0.03 million per month • Children education allowance: ₹400 per month • Other allowance: ₹0.06 per month
Statutory	• Provident Fund and Gratuity: ₹ 1,800 per month
Others	• Health and Group Accidental Insurance: ₹185 per month

2. Compensation to Non- Executive Directors and Independent Directors:

Pursuant to the Board resolution dated May 6, 2021, our Non-Executive Directors and Independent Directors are entitled to receive sitting fees of ₹0.05 million per meeting of the Board and ₹0.03 for attending meetings of the committees of our Board, within the limits prescribed under the Companies Act, 2013, and the rules made thereunder.

The details of remuneration paid to our Non-Executive Directors and Non-Executive Independent Directors during Fiscal 2021 are as follows:

Sr. No.	Name of Director	Sitting fees paid (in ₹ million)
1.	Vivek Dhariwal	Nil*
2.	Srinivasan Venkataraman	Nil*
3.	Gaurav Gulati	Nil*
4.	Prachi Jain Windlass**	Nil*

* *Appointed in the current Fiscal 2022, and accordingly were not paid any remuneration in Fiscal 2021*

** *Prachi Jain Windlass has waived her right to receive sitting fees for meeting of the Board or its committees thereof as may be determined by the Board from time to time pursuant to the Board resolution passed on May 3, 2021*

Arrangement or understanding with major Shareholders, customers, suppliers or others

There are no arrangements or understandings with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors was selected as a director.

Shareholding of Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

Except as disclosed below, none of our Directors hold any Equity Shares or employee stock options of the Company:

Sr. No.	Name of the Director	Number of Equity Shares	Number of employee stock options	Pre-Offer (%)	Percentage of the post-Offer of Equity Share Capital (%)
1.	Ashok Kumar Windlass	4,400,000	-	24.17	[●]
2.	Hitesh Windlass	3	-	Negligible	[●]
3.	Manoj Kumar Windlass	3	-	Negligible	[●]
4.	Prachi Jain Windlass	3	-	Negligible	[●]
5.	Pawan Kumar Sharma	Nil	17,020	-	[●]
	Total	**4,400,000**	**17,020**	**24.17**	**[●]**

Interests of Directors

Other than Ashok Kumar Windlass, Hitesh Windlass and Manoj Kumar Windlass who are Promoters of our Company, and Prachi Jain Windlass (who is a member of the Promoter Group) our Directors have no interest in the promotion of our Company. For details on the interest of our Promoters, namely, Ashok Kumar Windlass, Hitesh Windlass and Manoj Kumar Windlass, and Prachi Jain Windlass, in our Company, see "*Our Promoters and Promoter Group*" on page 175.

All Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Ashok Kumar Windlass, Hitesh Windlass and Manoj Kumar Windlass have entered into lease agreement in respect of our Corporate Office and Ashok Kumar Windlass has entered into lease agreement in respect of certain industrial land and property situated at Dehradun, Uttarakhand, with our Company and they receive lease rentals in respect of the properties taken on lease from them by the Company. They have also extended personal guarantees in favour of certain lenders of the Company in respect of the borrowings availed by our Company.

Except as stated in "*Other Financial Information- Related Party Transactions*" and "*Our Promoter and Promoter Group*" on pages 234 and 175, and as disclosed in this section, our Directors do not have any other interest in our business.

The Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters,

pursuant to this Issue. All our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them.

Except as stated in "*Our Promoter and Promoter Group*" on page 175, none of our Directors have any interest in any property acquired or proposed to be acquired of the Company or by the Company.

No loans have been availed by our Directors from our Company.

None of the Directors is party to any bonus or profit-sharing plan of our Company other than the performance linked incentives given to each of the Directors.

Changes in the Board in the last three years

Name	Date of Appointment/ Change/Cessation	Reason
Gaurav Gulati	May 6, 2021	Appointment as Non-Executive Independent Director*
Srinivasan Venkataraman	May 6, 2021	Appointment as Non-Executive Independent Director*
Vivek Dhariwal	May 6, 2021	Appointment as Chairman and Non-Executive Independent Director*
Ashok Kumar Windlass	May 3, 2021	Appointment as Wholetime Director
Prachi Jain Windlass	May 4, 2021	Appointment as Non-Executive Director**
Hetal Madhukant Gandhi	April 21, 2021	Resignation as Non-Executive Nominee Director
Hitesh Windlass	April 30, 2020	Appointment as Managing Director
Manoj Kumar Windlass	April 30, 2020	Appointment as Joint Managing Director
Hitesh Windlass	April 30, 2020	Resignation as Executive Director
Manoj Kumar Windlass	April 30, 2020	Resignation as Executive Director
Ashok Kumar Windlass	April 30, 2020	Appointment as Executive Director
Ashok Kumar Windlass	April 30, 2020	Resignation as Managing Director
Pawan Kumar Sharma	June 11, 2019	Appointment as an Executive Director***

** The appointment of Gaurav Gulati, Srinivasan Venkataraman, and Vivek Dhariwal to the Board was regularised pursuant to a Shareholders' resolution passed at the EGM held on May 7, 2021*

*** The appointment of Prachi Jain Windlass to the Board was regularised pursuant to a Shareholders' resolution passed at the EGM held on May 4, 2021*

****The appointment of Pawan Kumar Sharma to the Board was regularised pursuant to a Shareholders' resolution passed at the AGM held on September 25, 2019*

Borrowing Powers of Board

Pursuant to our Articles of Association and the board and shareholders resolutions dated May 6, 2021 and May 7, 2021, respectively and in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder, and subject to the memorandum of association and articles of association of our Company, our Board is authorised to borrow, from time to time, any sum or sums of money in Indian currently or any other foreign currency from any bank, financial institution or any other lender, Indian or foreign, which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed aggregate of the paid up capital of our Company and its free reserves not set apart for any specific purpose, provided that the total amount of money so borrowed shall not, at any time exceed the limit of ₹1,500.00 million.

Corporate Governance

The corporate governance provisions of the Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares on the Stock Exchanges. We are in compliance with the corporate governance requirements and the requirements of the applicable regulations, including the Listing Regulations, the Companies Act and the SEBI ICDR Regulations, particularly in respect of corporate governance including constitution of the Board and committees thereof and formulation of policies. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act and the Listing Regulations and the guidelines issued thereunder from time to time. As on the date of this Draft Red Herring Prospectus, our Board comprises of eight Directors including four Executive Directors and four Non-Executive Directors, out of which three are Non-Executive Independent Directors. Our Board includes one woman director.

Our Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board of Directors detailed reports on its performance periodically.

Committees of the Board

Audit Committee

The members of the Audit Committee are:

1. Srinivasan Venkatraman , *Chairperson*;

2. Gaurav Gulati ; and

3. Hitesh Windlass

The Audit Committee was constituted by the Board of Directors at their meeting held on May 6, 2021. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and the Listing Regulations.

The terms of reference of the Audit Committee include:

1. 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;

2. Recommendation for appointment, replacement, reappointment, remuneration and terms of appointment of auditors of the Company;

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    a) Matters required to be included in the director's responsibility statement to be included in the Board's report, in terms of the Companies Act, 2013, as amended;

    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 judgment 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; and

    g) Qualifications and modified opinion(s) in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

6. Examination of the financial statement and auditor's report thereon;

7. Monitoring the end use of funds raised through public offers and related matters;

8. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the issue document/prospectus/notice and making appropriate recommendations to the Board to take up steps in this matter;

9. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

10. Approval or any subsequent modification of transactions of the Company with related parties;

11. Scrutiny of inter-corporate loans and investments;

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

13. Evaluation of internal financial controls and risk management systems;

14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

15. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

16. Discussion with internal auditors of any significant findings and follow up thereon;

17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

18. Discussion 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;

19. To 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;

20. To review the functioning of the whistle blower mechanism;

21. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

22. Carrying out any other function as may be required / mandated by the Board from time to time and/ or mandated as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013, the listing agreements to be entered into between the Company and the respective stock exchanges on which the equity shares of the Company are proposed to be listed and/or any other applicable laws;

23. Reviewing the utilization of loan 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;

24. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The Audit Committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;

2. statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

3. management letters / letters of internal control weaknesses issued by the statutory auditors;

4. internal audit reports relating to internal control weaknesses;

5. the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee; and

6. statement of deviations as and when becomes applicable:

   (a) quarterly statement of deviation(s) submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

   (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee is required to meet at least four times in a year and not more than 120 days are permitted to elapse between two meetings under the terms of the Listing Regulations.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Srinivasan Venkatraman , *Chairperson*;

2. Vivek Dhariwal ; and

3. Gaurav Gulati

The Nomination and Remuneration Committee was constituted by the Board of Directors at their meeting held on May 6, 2021. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the Listing Regulations.

The terms of reference of the Nomination and Remuneration Committee include:

1. Formulating 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;

   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;

2. Formulating criteria for evaluation of performance of independent directors and the Board of Directors;

3. Devising a policy on diversity of Board;

4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;

5. Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

6. Recommending to the Board, all remuneration, in whatever form, payable to senior management.

7. Carrying out any other function as may be required/ mandated by the Board from time to time and/ or mandated as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013, the listing agreements to be entered into between the Company and the respective stock exchanges on which the equity shares of the Company are proposed to be listed and/or any other applicable laws; and

8. Performing such other functions as may be necessary or appropriate for the performance of its duties.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Gaurav Gulati, *Chairperson*;

2. Manoj Kumar Windlass; and

3. Prachi Jain Windlass.

The Stakeholders' Relationship Committee was constituted by the Board of Directors at their meeting held on May 6, 2021. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the Listing Regulations.

The terms of reference of the Stakeholders' Relationship Committee are as follows:

1. 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;

2. To review measures taken for effective exercise of voting rights by shareholders;

3. To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

4. To review the 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; and

5. 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.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Prachi Jain Windlass, *Chairperson*;

2. Vivek Dhariwal;

3. Ashok Kumar Windlass; and

4. Manoj Kumar Windlass

The Corporate Social Responsibility Committee was last reconstituted by the Board of Directors at their meeting held on May 6, 2021. The terms of reference of the CSR Committee include the following:

a) Formulation of a corporate social responsibility policy to the Board, indicating the activities to be undertaken by the Company in areas or subjects specified in the Companies Act, 2013. The activities should be within the list of permitted activities specified in the Companies Act, 2013 and the rules thereunder;

b) Recommending the amount of expenditure to be incurred, amount to be at least 2% of the average net profit of the Company in the three immediately preceding financial years or where the Company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years;

c) Instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs or activities undertaken by the Company;

d) Monitoring the corporate social responsibility policy from time to time and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

e) Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;

f) Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required; and

g) Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company or as may be required under applicable laws."

IPO Committee

The members of the IPO Committee are:

1. Ashok Kumar Windlass, *Chairperson*;

2. Hitesh Windlass; and

3. Manoj Kumar Windlass;

The IPO Committee was constituted by our Board of Directors pursuant to a resolution dated May 6, 2021. The terms of reference of the IPO Committee include the following:

a. To make applications, seek clarifications, obtain approvals and seek exemptions from, where necessary, the SEBI, the relevant registrar of companies, the RBI, and any other governmental or statutory authorities as may be required in connection with the Offer and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications / amendments as may be required in the draft red herring prospectus, the red herring prospectus and the prospectus as applicable;

b. To finalize, settle, approve, adopt and file in consultation with the book running lead managers appointed for the Offer where applicable, the draft red herring prospectus, the red herring prospectus and the prospectus in connection with the Offer , the preliminary and final international wrap and any amendments, supplements, notices, addenda or corrigenda thereto, and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/corrections/ modifications as may be required by SEBI, the Registrar of Companies, Uttarakhand or any other relevant governmental and statutory authorities or in accordance with applicable laws;

c. To decide in consultation with the BRLMs on the actual Offer size, timing, pricing, discount, reservation and all the terms and conditions of the Offer, including the price band (including offer price for anchor investors), bid period, Offer price, and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including to make any amendments, modifications, variations or alterations in relation to the Offer;

d. To appoint and enter into and terminate arrangements with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, registrars, legal advisors, auditors, advertising agency, monitoring agency and any other agencies or persons or intermediaries in relation to the Offer, to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalization, execution and, if required, amendment of the offer agreement with the BRLMs, and to remunerate all such intermediaries/agencies including the payments of commissions, brokerages, etc.;

e. To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the draft red herring prospectus, the red herring prospectus, the prospectus, the preliminary and final international wrap, offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow agreement, agreements with the registrar to the Offer and all other documents, deeds, agreements and instruments whatsoever with the registrar to the Offer, legal advisors, auditors, advertising agency and the monitoring agency stock exchange(s), BRLMs, any selling shareholders

in the Offer (the "**Selling Shareholders**") and any other agencies/intermediaries in connection with the Offer with the power to authorise one or more officers of the Company to execute all or any of the aforesaid documents or any amendments thereto as may be required or desirable in relation to the Offer;

f. To seek, if required, the consent and/or waiver of the lenders of the Company, customers, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents and/or waivers that may be required in relation to the Offer or any actions connected therewith;

g. To open and operate bank accounts in terms of the escrow agreement and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

h. To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

i. To authorize and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;

j. To accept and appropriate the proceeds of the Offer in accordance with the applicable laws;

k. To approve code of conduct as may be considered necessary by the IPO Committee or as required under the applicable laws, regulations or guidelines for the Board, officers of the Company and other employees of the Company;

l. To approve the implementation of any corporate governance requirements that may be considered necessary by the Board or the IPO Committee or as may be required under the applicable laws or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and listing agreements to be entered into by the Company with the relevant stock exchanges, to the extent allowed under law;

m. To issue receipts/allotment letters/confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorize one or more officers of the Company to sign all or any of the aforestated documents;

n. To authorize and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;

o. To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/confirmation of allotment notes, share certificates in accordance with the relevant rules, in consultation with the BRLMs;

p. To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and/ or modify, as the case maybe, agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of the Company to execute all or any of the aforestated documents;

q. To make applications for listing of the Equity Shares in one or more stock exchange(s) for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s) in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of the Company where necessary;

r. To settle all questions, difficulties or doubts that may arise in regard to the Offer, including issue or allotment, terms of the Offer, utilisation of the Offer proceeds and matters incidental thereto as it may deem fit;

s. To submit undertaking/certificates or provide clarifications to the SEBI, Registrar of Companies, Uttarakhand and the relevant stock exchange(s) where the Equity Shares are to be listed;

t. To negotiate, finalize, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing;

u. To approve suitable policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any other applicable laws;

v. To approve the list of 'group of companies' of the Company, identified pursuant to the materiality policy adopted by the Board, for the purposes of disclosure in the draft red herring prospectus, the red herring prospectus and the prospectus;

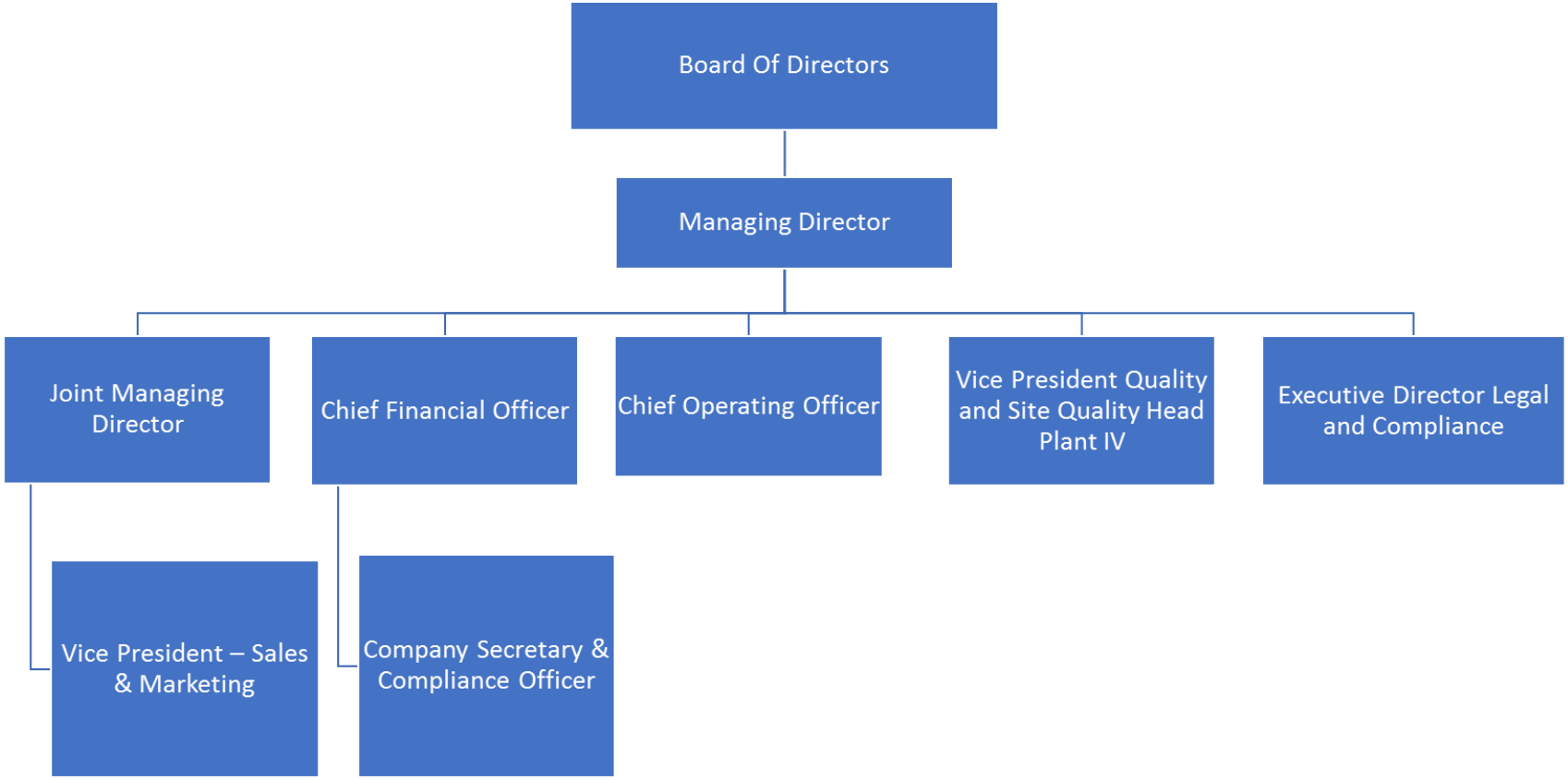
w. Deciding, negotiating and finalising the pricing and all other related matters regarding the execution of the relevant documents with the investors in consultation with the BRLMs and in accordance with applicable laws;

x. Taking on record the approval of the Selling Shareholders for offering their Equity Shares in the Offer for Sale and taking all actions as may be authorised in connection therewith;

y. to withdraw the draft red herring prospectus or the red herring prospectus or to decide to not proceed with the Offer at any stage in accordance with applicable laws and in consultation with the BRLMs; and

z. To delegate any of its powers set out hereinabove, as may be deemed necessary and permissible under applicable laws to the officials of the Company.

Management Organisation Chart



Key Managerial Personnel

The details of the Key Managerial Personnel of our Company are as follows:

Ashok Kumar Windlass is a Wholetime Director of our Company. For further details in relation to him, see "– *Brief Biographies of Directors*" on page 161. For details of compensation paid to him, see "*Terms of Appointment of Directors*" on page 162.

Hitesh Windlass is the Managing Director of our Company. For further details in relation to him, see "– *Brief Biographies of Directors*" on page 161. For details of compensation paid to him, see "*Terms of Appointment of Directors*" on page 162.

Manoj Kumar Windlass is the Joint Managing Director of our Company. For further details in relation to him, see "– *Brief Biographies of Directors*" on page 161. For details of compensation paid to him, see "*Terms of Appointment of Directors*" on page 162.

Pawan Kumar Sharma is the Executive Director of our Company. He is also the Executive Director Legal and Compliance. For further details in relation to him, see "– *Brief Biographies of Directors*" on page 161. For details of compensation paid to him, see "*Terms of Appointment of Directors*" on page 162.

Komal Gupta is the CFO of our Company. She holds a bachelor's degree in commerce from Dr. Babasaheb Ambedkar Marathwada University. She is a fellow member of the Institute of Chartered Accountants of India, an associate member of the Institute of Company Secretaries of India and the Institute of Cost and Works Accountants of India. She has experience in the field of finance. Prior to joining our Company, she has worked at Perfect Circle India Limited, Anand Automotive Systems Limited, and DSM Sinochem Pharmaceuticals India Private Limited. She joined our Company as the CFO on October 16, 2015. She was paid compensation of ₹7.41 million in Fiscal 2021.

Shailesh Gokhale is the Chief Operating Officer of our Company. He holds a master's degree in technology (chemical engineering) from Indian Institute of Technology, Delhi. He has experience in the field of pharmaceutical Industry. Prior to joining our Company, he has worked at Paras Pharmaceuticals Ltd, Cipla Limited, Cadila Pharmaceuticals Limited, Biocon Limited, ACG Associated Capsules Pvt Ltd, Fresenius Kabi Oncology Limited and Pfizer Products India Private Limited. He joined our Company on January 15, 2020 as Chief Operating Officer. He was paid compensation of ₹8.60 million in Fiscal 2021.

Ananta Narayan Panda is the Company Secretary and Compliance Officer of our Company. He holds a bachelor's degree in law from Sambalpur University, bachelor's degree in science from Sambalpur University and a diploma in systems management from National Institute of Information Technology. He is an associate member of the Institute of Company Secretaries of India. He has over 20 years of experience as a company secretary. Prior to joining our Company, he has worked at GMR Airports Limited, Spice Smart Solutions Limited. He joined our Company on March 18, 2021. Subsequently, he was appointed as Company Secretary on April 2, 2021 and as Compliance Officer of our Company on May 6, 2021. He was paid compensation of ₹0.07 million in Fiscal 2021.

Mohammed Aslam is the Vice President of Sales and Marketing of our Company. He holds a bachelor's degree in science from the Lucknow University. He has experience in the field of pharmaceutical industry. Prior to joining our Company, he has worked at Pharmed Private Limited, Life Medicare & Biotech Pvt Ltd, Dalmia Industries Ltd, Modi Mundipharma Private Ltd and Life Medicare and Biotech Private Limited. He joined our Company on May 1, 2008 as Zonal Sales Manager. He was paid compensation of ₹4.89 million in Fiscal 2021.

Om Prakash Sule is the Site Quality Head of our Company. He holds a bachelor's degree in pharmacy from Devi Ahilya Vishwavidyalaya, Indore and completed the industry program in pharma regulatory affairs from Bioinformatics Institute of India, Noida. He has over 24 years of experience in the field of pharmaceutical industry. Prior to joining our Company, he has worked at Nicholas Piramal India Limited, Piramal Healthcare Limited, Piramal Enterprises Limited, Ranbaxy Laboratories Limited, Ipca Laboratories Limited, Jubilant Generics Limited and Mankind Pharma Limited. He joined our Company on December 24, 2019 as Site Quality Head. He was paid compensation of ₹6.82 million in Fiscal 2021.

Relationship between our Key Managerial Personnel and Directors

Except as disclosed below, none of our Key Managerial Personnel are related to each other or to the Directors.

Name of KMP	Related Directors	Nature of relationship
Ashok Kumar Windlass	Hitesh Windlass	Son
	Manoj Kumar Windlass	Son
	Prachi Jain Windlass	Daughter-in-law
Hitesh Windlass	Ashok Kumar Windlass	Father
	Manoj Kumar Windlass	Brother
	Prachi Jain Windlass	Wife
Manoj Kumar Windlass	Ashok Kumar Windlass	Father
	Hitesh Windlass	Brother
	Prachi Jain Windlass	Sister-in-law

Shareholding of Key Managerial Personnel

Except as stated below, none of our Key Managerial Personnel hold any Equity Shares in our Company:

S. No.	Name of the Key Managerial Personnel	Number of Equity Shares	Pre-Offer Shareholding (%)	Number of employee stock options	Percentage of the post-Offer of Equity Share Capital (%)
1.	Ashok Kumar Windlass	4,400,000	24.17	-	[●]
2.	Hitesh Windlass	3	Negligible	-	[●]
3.	Manoj Kumar Windlass	3	Negligible	-	[●]
4.	Pawan Kumar Sharma	Nil	-	17,020	[●]
5.	Komal Gupta	Nil	-	41,183	[●]
6.	Shailesh Gokhale	Nil	-	34,534	[●]
7.	Mohammed Aslam	Nil	-	19,862	[●]
8.	Om Prakash Sule	Nil	-	17,602	[●]
9.	Ananta Narayan Panda	Nil	-	1,365	[●]
	Total	**4,400,006**	**24.17**	**131,566**	

For further details, see "*Capital Structure*" on page 70.

Bonus or Profit Sharing Plans of the Key Managerial Personnel

None of our Key Managerial Personnel are party to any bonus or profit-sharing plan of our Company, other than the performance linked incentives given to Key Managerial Personnel.

Status of Key Managerial Personnel

All the Key Managerial Personnel are permanent employees of our Company.

Interests of Key Managerial Personnel

Except for Ashok Kumar Windlass, Hitesh Windlass and Manoj Kumar Windlass, none of our Key Managerial Personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Ashok Kumar Windlass, Hitesh Windlass and Manoj Kumar Windlass have entered into lease agreement in respect of our Corporate Office and Ashok Kumar Windlass has entered into lease agreement in respect of certain industrial land and property situated at Dehradun, Uttarakhand, with our Company and they receive lease rentals in respect of the properties taken on lease from them by the Company. Other than Ashok Kumar Windlass, Hitesh Windlass and Manoj Kumar Windlass, none of the Key Managerial Personnel have been paid any consideration of any nature from our Company, other than their remuneration.

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel was selected as a Key Managerial Personnel or member of senior management.

Changes in the Key Managerial Personnel

Except as disclosed under "- *Changes in the Board in last three years*" on page 164 and as set out below, there have been no changes in the Key Managerial Personnel in the last three years.

Name	Date of change	Reason for change
Ananta Narayan Panda	April 2, 2021	Appointment as Company Secretary
Anjan Kumar	February 20, 2021	Cessation as Company Secretary
Mohhamed Aslam	April 1, 2020	Appointment as Vice President of Sales and Marketing
Shailesh Gokhale	January 15, 2020	Appointment as Chief Operating Officer
Om Prakash Sule	December 24, 2019	Appointment as Site Quality Head

Service Contracts with Directors and Key Managerial Personnel

Other than statutory benefits upon termination of their employment in our Company on retirement, no officer of our Company, including our Directors and our Key Managerial Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment. Further, other than our Executive Directors, none of our Directors have entered into a service contract with our Company pursuant to which they have been appointed as a director of our Company or their remuneration has been fixed in the preceding two years.

Contingent and deferred compensation payable to our Directors and Key Managerial Personnel

There is no contingent or deferred compensation payable to our Directors and Key Managerial Personnel, which does not form a part of their remuneration.

Payment or benefit to Key Managerial Personnel

Except as stated in this section, no non-salary amount or benefit has been paid or given to any of our Company's officers including Key Managerial Personnel within the two preceding years or is intended to be paid or given.

Employees Stock Options

For details of our employee stock options, see "*Capital Structure - ESOP 2021*" on page 77.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

Ashok Kumar Windlass, Hitesh Windlass, Manoj Kumar Windlass and the Promoter Trust are the Promoters of our Company. As on the date of this Draft Red Herring Prospectus, our Promoters cumulatively hold 12,781,346 Equity Shares, equivalent to 70.20% of the pre-Offer, issued, subscribed and paid-up Equity Share capital of our Company. For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure*" on page 70.

Details of our Promoters

Ashok Kumar Windlass

Ashok Kumar Windlass, born on October 23, 1950 and aged 70 years, is the Wholetime Director of our Company. He resides at 53-R, Rajpur Road, Dehradun 248 001, Uttarakhand, India. Other than Wintech Eco Solutions Private Limited, Windlas Exports Private Limited and Windlas Foundation, he is not involved in any venture. For further details, see "*Our Management*" on page 159.

The driving license number of Ashok Kumar Windlass is UA-0719810105142. His PAN is AABPW4101H and Aadhaar card number is 380474957517.

Hitesh Windlass

Hitesh Windlass, born on January 6, 1977 and aged 44 years, is the Managing Director of our Company. He resides at D 1/2 B, Hibiscus, Sector 50, Gurgaon, 122 001, Haryana, India. He is not involved in any other venture. For further details, see "*Our Management*" on page 159.

The driving license number of Hitesh Windlass is UA-0720090064879. His PAN is AABPW4150G and Aadhaar card number is 923908505360.

Manoj Kumar Windlass

Manoj Kumar Windlass, born on September 24, 1978 and aged 42 years, is the Joint Managing Director of our Company. He resides at 53-R, Rajpur Road Dehradun 248 001, Uttarakhand, India. He is not involved in any other venture. For further details, see "*Our Management*" on page 159.

The driving license number of Manoj Kumar Windlass is UK-0720040267633. His PAN is AAUPW7335G and Aadhaar card number is 980223009087.

Our Company confirms that the PAN, bank account number and passport number of each of the Individual Promoters shall be submitted to the Stock Exchanges, at the time of filing this Draft Red Herring Prospectus with them.

AKW WBL Family Private Trust

The Promoter Trust was settled pursuant to a trust deed dated April 5, 2021. The office of the Promoter Trust is located at H No. D-1/2b Hibiscus Sec 50, Near SS Plaza, Gurugram, Haryana, India 122 001. The PAN of the Promoter Trust is AAITA4976B.

Our Promoter, Ashok Kumar Windlass, is the sole settlor of the Promoter Trust.

Trustee

Ashok Vimla Trusteeship Services Private Limited is the trustee of the Promoter Trust. The board of directors of Ashok Vimla Trusteeship Services Private Limited consists of Ashok Kumar Windlass and Vimla Windlass.

Beneficiaries of Promoter Trust

The beneficiaries of the Promoter Trust include Vimla Windlass, AKW WBL 2 Family Private Trust, AKW Family Private Trust, Lotus Family Private Trust, Orchid Family Private Trust, Waterlily Family Private Trust and any other beneficiary (including contingent beneficiaries) that may be added in accordance with the trust deed of the Promoter Trust.

All beneficiary trusts have been set up for the benefit of the family members and blood relations of our Promoters and Promoter Group. Except for AKW WBL 2 Family Private Trust, where the trustee is Ashok Vimla Trusteeship Services Private Limited, all other beneficiary trusts have appointed an independent trustee for the administration of the respective beneficiary trust.

Objects and Function

The objects of the Promoter Trust are:

a) To give effect to the intention of the settlor to arrange the family affairs and consolidation of family wealth as well as to ensure peace and security of the family, avoiding litigation and saving family's honor and settle conflicting interests within the family;
b) To ensure effective succession planning and intergenerational transfer of trust property for the benefit of the beneficiaries;
c) To provide entities forming part of the trust property with good governance and robust monitoring mechanism for growth;.
d) To provide for consolidation and protection of assets settled or received by the trust for the benefit of the beneficiaries;
e) To undertake investment activities in movable and immovable assets for the benefit of the beneficiaries;
f) To provide controlled outflow/ distribution towards medical, educational, and other financial/ non- financial needs of beneficiaries to ensure that the family works hard for their benefits and does not exploit the trust assets; and
g) To oversee the functioning of business entities by the trust in fiduciary capacity for the benefit of the future generation of Ashok Kumar Windlass.

Our Company confirms that the PAN and bank account numbers of the Promoter Trust will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus with them.

Interests of our Promoters

Our Promoters are interested in our Company to the extent that they are promoters of our Company and to the extent: (i) of their shareholding in the Company and dividend payable, if any, and other distributions in respect of the Equity Shares held by them; and (ii) that they are directors on the Board and the remuneration receivable from the Company. Further, Ashok Kumar Windlass, Hitesh Windlass and Manoj Kumar Windlass have entered into lease agreement in respect of our Corporate Office and Ashok Kumar Windlass has entered into lease agreement in respect of certain industrial land and property situated at Dehradun, Uttarakhand, with our Company and they receive lease rentals in respect of the leased properties. Our Individual Promoters have also extended personal guarantees in favour of certain lenders of the Company in respect of the borrowings availed by our Company. For details in relation to the Equity Shares held by our Promoters and their interests as the Directors on the Board, see "*Capital Structure*" and "*Our Management*" on pages 70 and 159, respectively.

Additionally, our Promoter, Ashok Kumar Windlass is on the board of directors of the trustee to the Promoter Trust and as such is entitled to vote on all matters where the trustee has to decide on behalf of the Promoter Trust.

Other than the sale deed dated November 27, 2018 executed by our Promoter, Ashok Kumar Windlass, in favour of our erstwhile subsidiary Windlas Healthcare, in respect of certain industrial property situated at Dehradun, Uttarakhand for a consideration consisting of, i) ₹100 million paid in FY 2019; and ii) ₹15 million previously paid by Windlas Healthcare to Ashok Kumar Windlass against an adjustment of unsecured loan, which subsequent to the amalgamation of Windlas Healthcare into our Company, is owned by our Company, our Promoters have no interest in any property acquired in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

No sum has been paid or agreed to be paid to our Promoters or to the firms or companies in which our Promoters are interested as a member in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by such Promoters or by such firms or companies in connection with the promotion or formation of our Company.

Change in the management and control of our Company

The Individual Promoters are the original promoters of the Company. There has been no effective change in the management and control of our Company in the five years preceding the date of this Draft Red Herring Prospectus. While one of our Promoters, i.e. the Promoter Trust, has acquired Equity Shares pursuant to transfer from Ashok Kumar Windlass during this period, such transfers have not resulted in any changes in management and control of our Company. For details in relation to the shareholding of our Promoter and Promoter Group, and changes in the shareholding of our Promoters, including in the five years preceding the date of this Draft Red Herring Prospectus, see "*Capital Structure*" on page 70.

Payment of benefits to our Promoters or our Promoter Group

Except as disclosed in "*Other Financial Information - Related Party Transactions*" on page 234, and except as disclosed under "*Interests of our Promoters*" on page 176 in relation to payment of lease rentals by our Company in respect of our Corporate Office and industrial land and property situated at Dehradun, Uttarakhand, no amount or benefit has been paid nor is intended to be paid or given to our Promoters or our Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or Promoter Group.

Material guarantees given by our Promoters to third parties with respect to specified securities of our Company

Our Promoters have not provided any material guarantees to third parties with respect to the specified securities of our Company.

Companies or firms with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any company or firm in the three years immediately preceding the date of this Draft Red Herring Prospectus.

Our Promoter Group

The following individuals and entities constitute our Promoter Group* in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations:

(a) Natural persons who are part of our Promoter Group

Sl. No.	Name of the Promoter	Name of the relative	Relationship
1.	Ashok Kumar Windlass	Vimla Windlass	Spouse
		Vani Windlass Shukla	Daughter
2.	Hitesh Windlass	Prachi Jain Windlass	Spouse
		Vimla Windlass	Mother
		Vani Windlass Shukla	Sister
		Rhiditya Windlass and Atharv Windlass	Sons
		Abha Jain	Spouse's mother
		Ankur Jain	Spouse's brother
		Richa Mittal	Spouse's sister
3.	Manoj Kumar Windlass	Payal Windlass	Spouse
		Vimla Windlass	Mother
		Vani Windlass Shukla	Sister
		Ayann Windlass	Son
		Araddhya Windlass	Daughter
		Mahesh Chand Gupta	Spouse's father
		Indu Gupta	Spouse's mother
		Mayank Gupta	Spouse's brother
		Preeti Pandey	Spouse's sister

(b) Entities forming part of our Promoter Group:

1. AKW WBL Family Private Trust
2. Ashok Vimla Trusteeship Services Private Limited
3. Ashok Kumar Windlass Family Trust
4. HIM MEC TEC Private Limited
5. Vimla Windlass Family Trust
6. Wintech Eco Solutions Private Limited
7. Windlas Exports Private Limited
8. Windlas Foundation

An exemption application dated May 13, 2021 under Regulation 300(1)(c) of the SEBI ICDR Regulations has been submitted to SEBI seeking an exemption from identifying, (i) certain immediate relatives of our Promoter, Ashok Kumar Windlass; (ii) body corporates in which such immediate relatives hold 20% or more of the equity share capital, (ii) Hindu undivided families or firms of which such immediate relatives are members; (iii) body corporates in which the body corporates referred to in (ii) holds 20% or more of the equity share capital; and (iv) Hindu undivided families or firms in which the aggregate shareholding of such persons is equal to 20% or more (collectively, "Disassociated Group**"), as members of the promoter group in terms of Regulation 2(1)(pp)(ii) of the SEBI ICDR Regulations in the Offer Documents, and from including any confirmations or disclosures required from a member of the promoter group under the SEBI ICDR Regulations, in respect of the Disassociated Group in the Offer Documents and in connection with the Offer.*

OUR GROUP COMPANIES

Pursuant to a resolution dated May 6, 2021, our Board has noted that in accordance with the SEBI ICDR Regulations and for the purpose of disclosure in this Draft Red Herring Prospectus, group companies of our Company shall include (i) the companies (other than the Subsidiary) with which there were related party transactions as disclosed in the Restated Consolidated Financial Information during any of the last three Fiscals and the stub period; or (ii) such other company (other than the Subsidiary) as deemed material by our Board.

In terms of the materiality policy, our Board has identified HIM MEC TEC Private Limited and Wintech Eco Solutions Private Limited as the Group Companies of our Company.

Details of our Group Companies

1. HIM MEC TEC Private Limited ("HMTPL")

Corporate Information

HMTPL was incorporated as a private limited company under Companies Act, 2013 on June May 15, 2017. The registered office of HMTPL is situated at Khasra No. 297, Village Dassomajra, P.O. - Bhud Baddi Solan 173 205, Himachal Pradesh, India. Its corporate identity number is U28939HP2017PTC006600.

Nature of Activities

HMTPL is engaged in the business of dealing in engineering products.

Financial Performance

The financial information derived from the audited financial results of HMTPL for the financial years ended 2020, 2019 and 2018 is set forth below:

(In ₹ million, except per share data)

Particulars	Financial Year ended March 31,		
	2020	2019	2018
Equity capital	1.00	1.00	1.00
Reserves and surplus (excluding revaluation reserves)	(4.77)	(3.14)	0.04
Sales	2.54	22.70	28.17
Profit/(Loss) after tax	(1.60)	(3.20)	0.04
Earnings per share (Basic)	(32.03)	(32.03)	0.42
Earnings per share (Diluted)	(32.03)	(32.03)	0.42
Net asset value	(3.77)	(2.14)	1.04

Significant notes of auditors of HMTPL for the last three Financial Years

There are no significant notes by the auditors of HMTPL in relation to the aforementioned financial statements for the specified three immediately preceding Financial Years.

2. Wintech Eco Solutions Private Limited ("WESPL")

Corporate Information

WESPL was incorporated as a private limited company under Companies Act, 2013 on May 26, 2017. The registered office of WESPL is situated at Khasra No. 323, Central Hope Town, Selaqui Dehradun, Dehradun 248 197. Its corporate identity number is U28998UR2017PTC007839.

Nature of Activities

WESPL is engaged in the business of dealing in engineering products.

Financial Performance

The financial information derived from the audited financial results of WESPL for the financial years ended 2020, 2019 and 2018 is set forth below:

(In ₹ million, except per share data)

Particulars	Financial Year ended March 31,		
	2020	2019	2018
Equity capital	10.00	10.00	1.00
Reserves and surplus (excluding revaluation reserves)	(18.01)	(13.66)	(0.04)
Sales	32.27	13.31	Nil
Profit/(Loss) after tax	(4.34)	(13.62)	(0.04)

Particulars	Financial Year ended March 31,		
	2020	2019	2018
Earnings per share (Basic) (Face value of ₹ 10)	Nil	Nil	Nil
Earnings per share (Diluted) (Face value of ₹ 10)	Nil	Nil	Nil
Net asset value	(8.01)	(3.67)	0.96

Significant notes of auditors of WESPL for the last three Financial Years

There are no significant notes by the auditors of WESPL in relation to the aforementioned financial statements for the specified three immediately preceding Financial Years.

Loss making Group Companies

Details of the losses made by our Group Companies in the last three Financial Years is as follows:

(In ₹ million, except per share data)

Group Company	Financial Year ended March 31,		
	2020	2019	2018
HMTPL	(1.60)	(3.20)	0.04
WESPL	(4.34)	(13.62)	(0.04)

Nature and extent of interest of our Group Companies

a. ***In the promotion of our Company***

Our Group Companies do not have any interest in the promotion of our Company.

b. ***In the properties acquired by us in the preceding three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company***

Our Group Companies are not interested in the properties acquired by us in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on the date of this Draft Red Herring Prospectus.

c. ***In transactions for acquisition of land, construction of building and supply of machinery***

Other than Wintech Eco Solutions Private Limited from whom our Company proposed to purchase certain equipment aggregating ₹115.60 million, none of our Group Companies are interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Defunct Group Companies

Our Group Companies are not defunct and no applications have been made to the relevant registrar of companies for striking off their names during the five years preceding the date of filing of this Draft Red Herring Prospectus with SEBI.

Group Companies which are a sick industrial company or are under winding up/ insolvency proceedings

Our Group Companies do not fall under the definition of sick companies under the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985 and are not under any winding up or insolvency proceedings under applicable law.

Common Pursuits between our Group Companies and our Company

Our Group Companies are not in the same line of business as our Company and our Subsidiaries and there are no common pursuits between our Group Companies and our Company and our Subsidiaries.

Related Business Transactions with the Group Companies and significance on the financial performance of our Company

Other than the transactions disclosed in the section "*Financial Statements*" on page 182, there are no other related business transactions with our Group Companies.

Business interest of our Group Companies in our Company

Our Company proposes to purchase certain equipment from WESPL out of the portion of the Net Proceeds for the purposes of (i) capacity expansion of our existing facility at our Dehradun Plant – IV; and (ii) addition of injectables dosage capability at our existing facility at Dehradun Plant – II. For further details, see "*Objects of the Offer*" on page 80. Except as disclosed in "*Financial Statements*" on page 182 in this section, our Group Companies have no business interest in our Company.

Litigation

Our Group Companies are not party to any pending litigations which will have a material impact on our Company.

Other confirmations

None of our Group Companies are listed on any stock exchange.

None of our Group Companies have made any public or rights issue of securities in the preceding three years.

DIVIDEND POLICY

Our Company does not have a formal dividend policy. The declaration and payment of dividends is recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the applicable law, including the Companies Act.

Our Company has not declared dividends on the Equity Shares or preference shares during the current Fiscal and the preceding three Fiscals.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

[*The remainder of this page has been left intentionally blank*]

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Windlas Biotech Limited ("Company")
40/1, Mohabewala Industrial Area,
Dehradun, Uttrakhand, India

Dear Sirs,

1. We have examined, the attached Restated Consolidated Financial Information of Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited) (the **"Company"** or the **"Holding Company"** or the **"Issuer"**) and its subsidiaries (the Company and its subsidiaries together referred to as **"the Group"**) and its associates and Joint Venture, comprising the Restated Consolidated Statement of Assets and Liabilities as at 31 December 2020, 31 December 2019, 31 March 2020, 31 March 2019 and 31 March 2018, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flows for the years ended 31 March 2020, 31 March 2019 and 31 March 2018, for the period beginning 1 April 2020 to 31 December 2020 and for the period beginning from 1 April 2019 to 31 December 2019 and the summary statement of significant accounting policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 27/04/2021 for the purpose of inclusion in the Draft Red Herring Prospectus **("DRHP")** prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013 **("the Act");**

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time in pursuance of provision of Securities and Exchange Board of India Act, 1992 (**"ICDR Regulations"**); and

c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India **("ICAI")**, as amended from time to time (the **"Guidance Note"**).

2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India ("**SEBI**") and the stock exchanges where the equity shares of the Company are proposed to be listed ("**Stock Exchanges**"), in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 2.01 of Annexure V to the Restated Consolidated Financial Information.

   The respective Board of Directors of the companies included in the Group and its Associates and Joint Venture are responsible for designing, implementing and maintaining adequate internal

control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors of the companies are also responsible for identifying and ensuring that the Group and its Associates and Joint venture complies with the Act, the ICDR Regulations and the Guidance Note.

3. We have examined such Restated Consolidated Financial Information taking into consideration:

a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 03/02/2021 in connection with the proposed IPO of equity shares of the Company;

b) The Guidance Note - The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed IPO of equity shares of the Company.

4. These Restated Consolidated Financial Information have been compiled by the management from:

a) Audited special purpose interim consolidated financial statements of the Group as at and for the nine month period ended 31 December 2020 and 31 December 2019 prepared in accordance with recognition and measurement principles under Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India (the “Special Purpose Interim Consolidated Financial Statements”) which have been approved by the Board of Directors at their meeting held on 27/04/2021 ; and

b) Audited consolidated financial statements as at and for the year ended 31 March 2020, which were prepared in accordance with the accounting standards notified under the section 133 of the Act **(“Indian GAAP”)** at the relevant time which was approved by the Board of Directors at their meeting held on 28/08/20. The management of the Company has adjusted financial information for the year ended 31 March 2020 included in such Indian GAAP financial statements, using recognition and measurement principles of Ind AS.

c) Audited consolidated financial information for the years ended 31 March 2019 and 31 March 2018, prepared in accordance with Indian GAAP which was approved by the Board of Directors at their meetings held on 25/9/2019 and 27/9/2018, respectively, after incorporating Ind AS

adjustments to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on the transition date.

The Restated Consolidated Financial Information as at and for the years ended 31 March 2019 and 31 March 2018 are referred to as "the Proforma Ind AS Restated Consolidated Financial Information" as per the Guidance Note.

5. For the purpose of our examination, we have relied on:

a) Auditors' reports issued by us dated 27/04/2021 and 28/08/20 on the consolidated financial statements of the Group as at and for the nine months period ended 31 December 2020, and as at and for the year ended 31 March 2020 as referred in Paragraph 4 above; and

b) Auditors' Report issued by us, dated 25/9/2019 and 27/9/2018 on the audited Indian GAAP consolidated financial statements of the Company as at and for the years ended 31 March 2019 and 31 March 2018, as referred in Paragraph 4 above.

6. We did not audit the financial information of the step down subsidiary/ subsidiary, Windlas Inc, USA for financial year ending March 31, 2018, March 31, 2019 & March 31, 2020, for nine month period ending December 31, 2020 & December 31, 2019 and for Windlas Healthcare Private Limited from April 1, 2020 till April 30, 2020, whose share of total assets, total revenues, net cash inflows / (outflows) included in the Restated Consolidated Financial Information, for the relevant periods/years is tabulated below, which have not been audited by us/other auditors, and which has been furnished to us by the Company's management and our opinion on the Restated Consolidated Financial Information, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the unaudited financial information furnished by management.

Rs. in millions

Particulars	December 31, 2020**	December 31, 2019	March 31, 2020	March 31, 2019*	March 31, 2018*
Total Assets	3.16	NA	NA	NIL	3.77
Total Revenue	5.13***	NA	NA	NIL	41.92
Net Cash inflows/ (outflows)	1.19	NA	NA	NIL	(6.05)

* Windlas Inc - Step down Subsidiary till October 29, 2018

** Windlas Inc - Step down Subsidiary from 16-April-2020 till 30-April-2020 and Subsidiary thereafter.

*** Windlas Healthcare Private Limited – Subsidiary from April 17, 2020 till April 30, 2020

7. We did not audit the financial information of the Associates and Joint Venture, Windlas Inc, USA and US Pharma Windlas LLC for financial year ending March 31, 2018, March 31, 2019 & March 31, 2020, for nine month period ending December 31, 2020 & December 31, 2019 and for Windlas Healthcare Private Limited from April 1, 2020 till April 30, 2020,whose share of profit/loss included in the Restated Consolidated Financial Information, for the relevant periods/years is tabulated below, which have not been audited by us/other auditors, and which has been furnished to us by the Company's management and our opinion on the Restated Consolidated Financial Information, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the unaudited financial information furnished by management.

Rs. In millions

Particulars	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
Share of Net Profit/(loss)*	(-)4.42**	(-)3.94	(-)3.97	1.51	1.24
OCI	NIL	NIL	NIL	NIL	NIL

* US Pharma Windlas LLC was Joint Venture till October 29, 2018 and Joint Venture of associate till April 16, 2020 and was Joint Venture of issuer thereafter. Windlas Inc. was subsidiary of associate w.e.f. October 29, 2018 till April 16, 2020.
**Windlas Healthcare Private Limited – Associate from April 1, 2020 till April 16, 2020

In our opinion and according to the information and explanations given to us by the Management, this unaudited financial information as mentioned in 6 and 7 above is not material to the Group.

Our opinion is not modified in respect of this matter.

8. Based on our examination and according to the information and explanations given to us, we report that the Restated Consolidated Financial Information:

i. have been prepared after incorporating adjustments for the change in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial years ended 31 March 2020, 31 March 2019 and 31 March 2018 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the nine months period ended 31 December 2020 and 31 December 2019;

ii. have been prepared after incorporating proforma Ind AS adjustments to the audited Indian GAAP consolidated financial statements as at and for the years ended 31 March 2019 and 31 March 2018 as described in Note 43 to the Restated Consolidated Financial Information;

iii. does not contain any qualifications requiring adjustments. However, those qualifications in the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms

of sub section (11) of section 143 of the Act, which do not require any corrective adjustments in the Restated Consolidated Financial Information have been disclosed in Annexure VI to the Restated Consolidated Financial Information; and

iv. have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

9. The Restated Consolidated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Special Purpose Interim Consolidated Financial Statements and audited consolidated financial statements mentioned in paragraph 4 above.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with SEBI, Stock exchanges in connection with the proposed IPO. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **S S Kothari Mehta & Company**
Chartered Accountants
ICAI Firm's Registration No:

Yogesh Gupta
Partner
Membership No.: 093214
ICAI UDIN:
21093214AAAABV5308

Place: New Delhi
Date: 27/04/2021

Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited)
CIN: U74899UR2001PLC033407
Annexure I- Restated Consolidated Statement of Assets and Liabilities
(All amounts in Indian Rupees in millions, unless otherwise stated)

Particulars	Notes	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)
ASSETS						
Non-Current Assets						
Property, Plant and Equipment	3	936.62	661.15	661.03	596.69	767.86
Capital work in Progress	4	3.72	2.98	-	45.79	105.17
Right of Use	5	31.14	37.69	36.07	41.50	62.56
Other Intangible Assets	6 (a)	5.18	4.90	5.52	4.42	34.46
Intangible Assets Under Development	6 (b)	-	-	-	-	420.39
Financial Assets:						
(i) Investments	9	-	973.03	940.01	1,014.51	1.88
(ii) Loans	10	28.89	21.99	22.44	21.06	24.99
Deferred Tax Assets (Net)	7	-	3.93	6.63	5.08	7.44
Other Non-Current Assets	12	42.24	35.29	32.89	48.15	34.60
		1,047.79	**1,740.96**	**1,704.59**	**1,777.20**	**1,459.35**
Current Assets						
Inventories	13	467.71	311.62	493.17	190.27	350.54
Financial Assets:						
(i) Investments	9	230.11	220.05	222.80	209.00	223.84
(ii) Trade Receivables	14	940.64	759.18	639.38	617.35	665.91
(iii) Cash and Cash Equivalents	15 (a)	28.70	30.92	180.78	128.55	71.95
(iv) Bank Balance other than cash and cash equivalents	15 (b)	278.12	159.94	3.06	3.41	4.69
(v) Other Financial Assets	11	4.29	1.72	0.95	0.91	0.49
Current Tax Assets (Net)	8	26.82	13.51	8.95	-	8.26
Other Current Assets	12	134.65	87.48	131.20	55.11	113.84
		2,111.04	**1,584.42**	**1,680.29**	**1,204.60**	**1,439.52**
Total assets		**3,158.83**	**3,325.38**	**3,384.88**	**2,981.80**	**2,898.87**
EQUITY AND LIABILITIES						
Equity						
(i) Equity Share Capital	16	64.11	64.11	64.11	64.11	55.88
(ii) Instrument entirely equity in nature	16	-	-	-	-	29.41
(iii) Other Equity	17	1,865.74	2,029.62	2,032.48	1,871.74	1,165.09
		1,929.85	**2,093.73**	**2,096.59**	**1,935.85**	**1,250.38**
Liabilities						
Non-Current Liabilities						
Financial Liabilities:						
(i) Borrowings	18	8.79	18.04	12.13	58.16	181.36
(ii) Lease liability	19	6.50	11.54	10.33	15.05	19.32
(iii) Other Financial Liabilities	20	1.80	-	1.00	-	2.30
Non-current Provisions	21	15.36	8.00	11.94	10.57	14.61
Deferred Tax Liabilities (Net)	7	8.54	-	-	-	-
		40.99	**37.58**	**35.40**	**83.78**	**217.59**
Current Liabilities						
Financial Liabilities:						
(i) Borrowings	22	199.67	127.66	209.45	170.79	239.05
(ii) Trade Payables	23					
(a) total outstanding dues of micro enterprises and small enterprises		36.50	16.80	89.07	27.90	27.37
(b) total outstanding dues for creditors other than micro enterprises and small enterprises		701.61	854.18	742.29	551.44	818.80
(iii) Lease liability	19	5.04	4.60	4.70	4.29	3.91
(iv) Other Financial Liabilities	20	225.86	170.46	188.71	137.23	248.73
Other Current Liabilities	24	15.17	15.87	14.59	27.97	40.47
Current Provisions	21	4.14	4.50	4.08	42.55	52.57
		1,187.99	**1,194.07**	**1,252.89**	**962.17**	**1,430.90**
Total equity and liabilities		**3,158.83**	**3,325.38**	**3,384.88**	**2,981.80**	**2,898.87**

The above Statement should be read with Annexure V- Significant accounting policies and explanatory notes to Restated Consolidated financial statements and Annexure VI- Statement of Restatement Adjustment to Audited 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)

Yogesh Gupta
Partner
Membership No. - 093214
Place: New Delhi
Date: 27th April, 2021

Ashok Kumar Windlass
Chairman and Executive Director
DIN: 00011451
Place: Dehradun
Date: 27th April, 2021

Hitesh Windlass
Managing Director
DIN: 02030941
Place: Gurugram
Date: 27th April, 2021

Manoj Kumar Windlass
Joint Managing Director
DIN: 00221671
Place: Dehradun
Date: 27th April, 2021

Komal Gupta
Chief Financial Officer
Place: Gurugram
Date: 27th April, 2021

Ananta Narayan Panda
Company Secretary
Place: Gurugram
Date: 27th April, 2021

Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited)
CIN: U74899UR2001PLC033407
Annexure II- Restated Consolidated Statement of Profit and Loss
(All amounts in Indian Rupees in millions, unless otherwise stated)

Particulars	Notes	For the 9 month period ended December 31, 2020	For the 9 month period ended December 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019 (Proforma)	For the year ended March 31, 2018 (Proforma)
Revenue from Operations	25	3,207.93	2,548.68	3,288.52	3,072.67	3,523.69
Other Income	26	23.01	19.08	24.87	42.58	42.07
Total Income		**3,230.94**	**2,567.76**	**3,313.39**	**3,115.25**	**3,565.76**
Expenses						
Cost of Material Consumed	27	1,974.28	1,678.12	2,243.47	1,882.69	2,345.53
Excise Duty		-	-	-	-	1.64
Changes in Inventories of Finished goods and Work-in-progress	28	59.24	(45.65)	(127.50)	36.54	23.49
Employee Benefit Expenses	29	417.80	321.67	435.73	429.58	445.44
Finance Cost	30	9.65	17.42	25.26	48.38	64.68
Depreciation and Amortization expense	31	96.07	66.32	92.93	105.91	173.47
Other Expenses	32	320.85	256.67	322.16	338.78	314.25
Total Expenses		**2,877.89**	**2,294.55**	**2,992.05**	**2,841.88**	**3,368.50**
Profit before share of gain / (loss) in joint venture and associates, exceptional items and tax		**353.05**	**273.21**	**321.34**	**273.37**	**197.26**
Share of gain/(loss) in joint venture		-	-	-	(3.17)	1.24
Share of gain/(loss) in associate company		(1.73)	(42.69)	(74.66)	(4.50)	-
Exceptional items	33					
Gain on losing control in subsidiary company [Refer Note 44 (i)]		-	-	-	495.45	-
Impairment of Goodwill		(272.64)	-	-	-	-
Gain on fair valuation of previously held equity interest on acquisition of control in Subsidiary [Refer Note 44 (ii)]		56.47	-	-	-	-
Profit before tax		**135.15**	**230.52**	**246.68**	**761.15**	**198.50**
Income tax expense						
Current tax		23.33	71.75	85.73	120.08	98.07
Deferred Tax	7	15.08	1.27	(1.18)	2.85	(11.55)
Total Tax Expense		38.41	73.02	84.55	122.93	86.52
Profit for the period/year		**96.74**	**157.50**	**162.13**	**638.22**	**111.98**
Profit attributable to Owners'		**99.36**	**157.50**	**162.13**	**638.22**	**111.98**
Profit attributable to Non Controlling Interest		**(2.62)**	-	-	-	-
Other Comprehensive Income						
A (i) Items that will not be reclassified to profit or loss:						
Remeasurement of defined benefit plans- gain/(loss)		(1.75)	(2.08)	(3.05)	(1.39)	0.01
Income tax effect		(0.11)	0.52	0.77	0.49	(0.05)
Shares of other comprehensive income in Associates		-	1.21	0.16	(0.15)	-
B (i) Items that will be reclassified to profit or loss:						
Foreign currency translation reserve		-	-	-	-	(0.20)
Other Comprehensive Income for the period/year		**(1.86)**	**(0.35)**	**(2.12)**	**(1.05)**	**(0.24)**
Total Comprehensive Income for the period/year		**94.88**	**157.15**	**160.01**	**637.17**	**111.74**
Other Comprehensive Income attibutable to Owner's		**(1.86)**	**(0.35)**	**(2.12)**	**(1.05)**	**(0.24)**
Other Comprehensive Income attibutable to Non Controlling Interest		-	-	-	-	-
Total Comprehensive Income attibutable to Owner's		**97.50**	**157.15**	**160.01**	**637.17**	**111.74**
Total Comprehensive Income attibutable to Non Controlling Interest		**(2.62)**	-	-	-	-
Earnings per share:	35					
Basic (in Rs.)*		5.46	8.65	8.90	38.61	7.06
Diluted (in Rs.)*		5.46	8.65	8.90	37.65	6.80
Face value per share (in Rs)**		5	5	5	5	5

*Not annualised for December 31, 2020 and December 31, 2019
**Face value reduced from Rs. 10 to Rs. 5 as a result of subsequent event of split. Refer Annexure VI

The above Statement should be read with Annexure V- Significant accounting policies and explanatory notes to Restated Consolidated financial statements and Annexure VI- Statement of Restatement Adjustment to Audited 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)

Yogesh Gupta
Partner
Membership No. - 093214
Place: New Delhi
Date: 27th April, 2021

Ashok Kumar Windlass
Chairman and Executive Director
DIN: 00011451
Place: Dehradun
Date: 27th April, 2021

Hitesh Windlass
Managing Director
DIN: 02030941
Place: Gurugram
Date: 27th April, 2021

Manoj Kumar Windlass
Joint Managing Director
DIN: 00221671
Place: Dehradun
Date: 27th April, 2021

Komal Gupta
Chief Financial Officer
Place: Gurugram
Date: 27th April, 2021

Ananta Narayan Panda
Company Secretary
Place: Gurugram
Date: 27th April, 2021

Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited)
CIN: U74899UR2001PLC033407
Annexure III- Restated Consolidated Statement of Cash flows
(All amounts in Indian Rupees in millions, unless otherwise stated)

Particulars	For the 9 month period ended December 31, 2020	For the 9 month period ended December 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019 (Proforma)	For the year ended March 31, 2018 (Proforma)
Cash flow from operating activities					
Profit before tax	**135.15**	**230.52**	**246.68**	**761.15**	**198.50**
Add:					
Share of gain in associate	1.73	41.48	74.50	4.65	-
Share of (loss)/gain in joint venture	-	-	-	3.17	(1.24)
Adjustments for:					
Exceptional Items					
(Gain) on losing control in subsidiary company	-	-	-	(495.45)	-
(Gain) on fair valuation of previously held equity interest on acquistion of control in Windlas Healthcare	(56.47)	-	-	-	-
Impairment of Goodwill	272.64	-	-	-	-
Proforma Ind AS Adjustment	-	0.73	0.73	-	-
Depreciation & amortization expense	96.07	66.32	92.93	105.91	173.47
Balances written off (net)	9.12	2.92	3.07	-	15.75
Balance written back	2.87	-	-	16.87	12.96
Allowance for Doubtful Debts	2.32	1.23	0.95	1.66	3.31
(Gain) / Loss on Investments measured at FVTPL (net)	(4.43)	(11.07)	(13.80)	(15.17)	(19.81)
Asset written off	14.00	-	0.01	-	4.92
Net (gain)/ loss on sale of Property Plant & Equipment	(0.09)	0.07	0.08	(0.37)	(0.10)
Unrealised foreign exchange (gain)/ loss	-	-	-	-	(0.20)
Interest expense on borrowings	8.74	16.20	23.68	46.42	62.37
Interest expense on lease liability	0.91	1.22	1.58	1.96	2.31
Interest income	(15.40)	(7.78)	(10.79)	(8.48)	(5.15)
Operating Profit before working capital changes	**467.16**	**341.84**	**419.62**	**422.32**	**447.09**
Changes in operating assets and liabilities:					
Increase/(decrease) in provisions	(4.94)	(1.53)	0.41	7.82	0.01
Increase/(decrease) in trade payables	(121.62)	291.63	252.00	(247.42)	(10.76)
Increase/(decrease) in other financial liabilities	69.59	57.29	82.62	(14.15)	24.64
Increase/(decrease) in other current liabilities	(2.80)	(12.10)	2.84	67.28	(76.17)
Decrease/(increase) in loans and advances	(5.22)	0.17	0.10	5.26	(3.90)
Decrease/(increase) in trade receivables	(295.69)	(145.98)	(26.06)	(9.75)	(8.23)
Decrease/(increase) in inventories	47.60	(121.35)	(302.90)	104.85	105.20
Decrease/(increase) in other financial assets	3.64	(0.92)	0.09	(52.55)	(0.06)
Decrease/(increase) in other non current assets	(10.93)	28.58	32.27	(29.09)	(0.60)
Decrease/(increase) in other current assets	46.10	(32.36)	(76.68)	52.59	(77.79)
Cash generated from operations	**192.89**	**405.27**	**384.31**	**307.16**	**399.43**
Income taxes refunded/ (paid)	(27.40)	(124.82)	(134.25)	(120.62)	(50.64)
Net cash flow from operations (A)	**165.49**	**280.45**	**250.06**	**186.54**	**348.79**
Cash flow from investing activities					
Purchase of property, plant & equipment, Intangible assets and capital work in progress including capital	(48.62)	(113.35)	(153.10)	(89.54)	(257.82)
Sale of property, plant & equipment, Intangible assets and capital work in progress	13.27	0.14	0.14	0.70	6.11
Sale / (Purchase) of Investment in subsidiary company	-	-	-	(1.83)	-
Purchase of controlling interest in associate company	(40.59)	-	-	-	-
Purchase of non controlling interest of subsidiary company	(994.41)	-	-	-	-
Proceeds from/ (investment in) Mutual Funds (net)	1,022.15	-	-	30.01	130.00
Interest received	12.87	6.80	9.19	6.64	3.95
Proceeds from redemption of / (Investment in) fixed deposits (net)	(275.06)	(156.53)	0.36	1.28	7.83
Net cash used in investing activities (B)	**(310.39)**	**(262.94)**	**(143.41)**	**(52.74)**	**(109.93)**
Cash flow from financing activities					
Proceeds/(Repayment) of Short Term Borrowings	(9.77)	(43.12)	38.66	(43.52)	(113.19)
Proceeds from issue of equity shares	-	-	-	48.15	-
Repayment of Long Term Borrowings	(41.66)	(51.10)	(63.47)	(13.47)	(86.93)
Repayment of Lease liabilities (principal portion)	(3.49)	(3.20)	(4.30)	(3.89)	(3.55)
Interest paid (including interest on lease liabilities)	(10.45)	(17.72)	(25.31)	(49.53)	(56.83)
Net cash flow from/ (used in) financing activities (C)	**(65.37)**	**(115.14)**	**(54.42)**	**(62.26)**	**(260.50)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(210.27)**	**(97.63)**	**52.23**	**71.54**	**(21.64)**
Cash and cash equivalents at the beginning of the period/ year	180.78	128.55	128.55	71.95	93.59
Cash acquired on acquisition of subsidiary	58.19	-	-	-	-
Cash outflow on disposal of subsidiary	-	-	-	(14.94)	-
Cash and cash equivalents at the closing of the period/ year	**28.70**	**30.92**	**180.78**	**128.55**	**71.95**

Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited)
CIN: U74899UR2001PLC033407
Annexure III- Restated Consolidated Statement of Cash flows
(All amounts in Indian Rupees in millions, unless otherwise stated)
Notes:

a) Cash and Cash Equivalents included in Cash Flow Statement comprise of following (Refer Note 15):

Particulars	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)
Balances with Banks	25.98	29.00	6.65	5.17	70.10
Fixed deposits with original maturity of less than 3 months	-	-	172.51	121.96	-
Cash on Hand	2.72	1.92	1.62	1.42	1.85
Total	**28.70**	**30.92**	**180.78**	**128.55**	**71.95**

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

Particulars	As at March 31, 2017	Net Cash Flows	Non cash changes Fair value changes	As at March 31, 2018
Long term borrowings*	144.77	(86.93)	254.21	312.05
Short term borrowings	352.24	(113.19)	-	239.05
Interest accrued	-	(56.83)	58.83	2.00
Lease liabilities	26.78	(3.55)	0.00	23.23
Equity Share Capital	55.88	-	-	55.88
Total Liabilities	**579.67**	**(260.50)**	**313.04**	**632.21**

Particulars	As at March 31, 2018	Net Cash Flows	Non cash changes Fair value changes	As at March 31, 2019
Long term borrowings*	312.05	(13.47)	(170.25)	128.33
Short term borrowings	239.05	(43.52)	(24.74)	170.79
Interest accrued	2.00	(49.53)	48.37	0.84
Lease liabilities	23.23	(3.89)	(0.00)	19.34
Equity Share Capital	55.88	48.15	(39.92)	64.11
Total Liabilities	**632.21**	**(62.26)**	**(186.54)**	**383.41**

Particulars	As at March 31, 2019	Net Cash Flows	Non cash changes Fair value changes	As at March 31, 2020
Long term borrowings*	128.33	(63.47)	0.00	64.86
Short term borrowings	170.79	38.66	-	209.45
Interest accrued	0.84	(25.31)	25.26	0.79
Lease liabilities	19.34	(4.30)	(0.01)	15.03
Equity Share Capital	64.11	-	-	64.11
Total Liabilities	**383.41**	**(54.42)**	**25.25**	**354.24**

Particulars	As at March 31, 2019	Net Cash Flows	Non cash changes Fair value changes	As at December 31, 2019
Long term borrowings*	128.33	(51.10)	(0.01)	77.22
Short term borrowings	170.79	(43.12)	(0.01)	127.66
Interest accrued	0.84	(17.72)	17.42	0.54
Lease liabilities	19.34	(3.20)	0.00	16.14
Equity Share Capital	64.11	-	-	64.11
Total Liabilities	**383.41**	**(115.14)**	**17.40**	**285.67**

Particulars	As at March 31, 2020	Net Cash Flows	Non cash changes Fair value changes	As at December 31, 2020
Long term borrowings*	64.86	(41.66)	(0.00)	23.20
Short term borrowings	209.45	(9.77)	(0.01)	199.67
Interest accrued	0.79	(10.45)	9.66	-
Lease liabilities	15.03	(3.49)	0.00	11.54
Equity Share Capital	64.11	-	-	64.11
Total Liabilities	**354.24**	**(65.37)**	**9.65**	**298.52**

* including the current maturity of long term borrowing

The above Statement should be read with Annexure V- Significant accounting policies and explanatory notes to Restated Consolidated financial statements and Annexure VI- Statement of Restatement Adjustment to Audited financial statements.

As per our report of even date
For SS Kothari Mehta & Company
Chartered Accountants
Firm Registration Number - 000756N

Yogesh Gupta
Partner
Membership No. - 093214
Place: New Delhi
Date: 27th April, 2021

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

Ashok Kumar Windlass
Chairman and Executive Director
DIN: 00011451
Place: Dehradun
Date: 27th April, 2021

Hitesh Windlass
Managing Director
DIN: 02030941
Place: Gurugram
Date: 27th April, 2021

Manoj Kumar Windlass
Joint Managing Director
DIN: 00221671
Place: Dehradun
Date: 27th April, 2021

Komal Gupta
Chief Financial Officer
Place: Gurugram
Date: 27th April, 2021

Ananta Narayan Panda
Company Secretary
Place: Gurugram
Date: 27th April, 2021

Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited)
CIN: U74899UR2001PLC033407
Annexure IV- Restated Consolidated Statement of Changes in Equity
(All amounts in Indian Rupees in millions, unless otherwise stated)

A. Equity share capital

Equity shares of face value ₹ 10 each issued, subscribed and fully paid up*

Particulars	No. of shares*	Amount
As at April 1, 2017	**55,88,236**	55.88
Changes during the year	-	-
As at March 31, 2018	**55,88,236**	**55.88**
Changes during the year	8,22,827	8.23
As at March 31, 2019	**64,11,063**	**64.11**
Changes during the year	-	-
As at March 31, 2020	**64,11,063**	**64.11**
As at April 1, 2019	**64,11,063**	**64.11**
Changes during the period	-	-
As at December 31, 2019	**64,11,063**	**64.11**
As at April 1, 2020	**64,11,063**	**64.11**
Changes during the period	-	-
As at December 31, 2020	**64,11,063**	**64.11**

*Impact of subsequent event of split and bonus not considered. Refer Annexure VI-subsequent event.

B. Instrument entirely equity in nature

Preference shares of face value ₹ 100 each issued, subscribed and fully paid up

Particulars	No. of shares	Amount
As at March 31, 2017	**2,94,117**	**29.41**
Increase/ (decrease) during the year	-	-
As at March 31, 2018	**2,94,117**	**29.41**
Increase/ (decrease) during the year	(2,94,117)	(29.41)
As at March 31, 2019	-	-
Increase/ (decrease) during the year	-	-
As at March 31, 2020	-	-
As at April 1, 2019	-	-
Increase/ (decrease) during the period	-	-
As at December 31, 2019	-	-
As at April 1, 2020	-	-
Increase/ (decrease) during the period	-	-
As at December 31, 2020	-	-

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	Capital Reserve				
As as at March 31, 2017	**685.58**	**136.25**	**228.47**	**3.00**	0.05	**1,053.35**	**-**	**1,053.35**
Increase/ (decrease) during the year	-	-	-	-	-	-	-	-
Profit for the year	-	-	111.98	-	-	111.97	-	111.97
Other comprehensive income, net of income tax	-	-	(0.04)	-	(0.20)	(0.24)	-	(0.24)
As at March 31, 2018	**685.58**	**136.25**	**340.41**	**3.00**	**(0.15)**	**1,165.09**	**-**	**1,165.09**
Increase/ (decrease) during the year	69.33	-	3.00	(3.00)	0.15	69.48	-	69.48
Profit for the year	-	-	638.22	-	-	638.22	-	638.22
Other comprehensive income, net of income tax	-	-	(1.05)	-	-	(1.05)	-	(1.05)
As at March 31, 2019	**754.91**	**136.25**	**980.58**	**-**	**-**	**1,871.74**	**-**	**1,871.74**
Proforma Ind AS adjustments [refer note 43(D)]	-	-	0.73	-	-	0.73	-	**0.73**
As at April 1, 2019	**754.91**	**136.25**	**981.31**	**-**	**-**	**1,872.47**	**-**	**1,872.47**
Increase/ (decrease) during the year	**-**	-	-	-	-	-	-	-
Profit for the year	-	-	162.13	-	-	162.13	-	162.13
Other comprehensive income, net of income tax	-	-	(2.12)	-	-	(2.12)	-	(2.12)
As at March 31, 2020	**754.91**	**136.25**	**1,141.32**	**-**	**-**	**2,032.48**	**-**	**2,032.48**
As at April 1, 2019	**754.91**	**136.25**	**981.31**	**-**	**-**	**1,872.47**	**-**	**1,872.47**
Increase/ (decrease) during the period	-	-	-	-	-	-	-	-
Profit for the period	-	-	157.50	-	-	157.50	-	157.50
Other comprehensive income, net of income tax	-	-	(0.35)	-	-	(0.35)	-	(0.35)
As at December 31, 2019	**754.91**	**136.25**	**1,138.46**	**-**	**-**	**2,029.62**	**-**	**2,029.62**
As at April 1, 2020	**754.91**	**136.25**	**1,141.32**	**-**	**-**	**2,032.48**	**-**	**2,032.48**
Increase/ (decrease) during the period	-	-	-	-	-	-	-	-
Profit for the period	-	-	99.36	-	-	99.36	(2.62)	96.74
Other comprehensive income, net of income tax	-	-	(1.86)	-	-	(1.86)	-	(1.86)
On Acquisition of controlling stake in associate [Refer note 44(ii)]	-	-	-	-	-	-	732.79	732.79
On Acquisition of non controlling interest of subsidiary company [Refer note 44(iii)]	-	-	(264.24)	-	-	(264.24)	(730.17)	(994.41)
As at December 31, 2020	**754.91**	**136.25**	**974.58**	**-**	**-**	**1,865.74**	**-**	**1,865.74**

The above Statement should be read with Annexure V- Significant accounting policies and explanatory notes to Restated Consolidated financial statements and Annexure VI- Statement of Restatement Adjustment to Audited 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)

Yogesh Gupta
Partner
Membership No. - 093214
Place: New Delhi
Date: 27th April, 2021

Ashok Kumar Windlass
Chairman and Executive Director
DIN: 00011451
Place: Dehradun
Date: 27th April, 2021

Hitesh Windlass
Managing Director
DIN: 02030941
Place: Gurugram
Date: 27th April, 2021

Manoj Kumar Windlass
Joint Managing Director
DIN: 00221671
Place: Dehradun
Date: 27th April, 2021

Komal Gupta
Chief Financial Officer
Place: Gurugram
Date: 27th April, 2021

Ananta Narayan Panda
Company Secretary
Place: Gurugram
Date: 27th April, 2021

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 Restated Consolidated Financial Statements comprise the Company and its subsidiary (together referred as the 'Parent') and its associate and its joint venture. The Parent is engaged in manufacturing and trading of pharmaceutical products. The Parent 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 Parent Consolidated Financial Statements for the nine months ended December 31, 2020 and December 31, 2019 and year ended March 31, 2020, March 31, 2019 (Proforma) and March 31, 2018 (Proforma) were approved for issue by the Board of Directors, in accordance with resolution passed on April, 27 2021.

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/ nine months 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.

These Statements have been prepared by the Management as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, issued by the Securities and Exchange Board of India ('SEBI') on 11 September 2018, in pursuance of the Securities and Exchange Board of India Act, 1992 (""ICDR Regulations"") for the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP') in connection with its proposed initial public offering of equity shares of face value of Rs. 5 each of the Company comprising a fresh issue of equity shares and an offer for sale of equity shares held by the selling shareholders (the "Offer"), prepared by the Parent in terms of the requirements of:

(a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the ""Act"");
(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time; and
(c) The Guidance Note on Reports in Parent Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

ii) Basis of consolidation

The Consolidated Financial Statements of the parent comprise of the Consolidated Financial Statement of Assets and Liabilities as at December 31, 2020, December 31, 2019, Restated Consolidated Financial Statement of Asstets and Liabilities as at March 31, 2020, March 31, 2019 (Proforma), March 31, 2018 (Proforma), 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 nine months ended December 31, 2020 and December 31, 2019 and the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Cash Flows and the Restated Consolidated Statement of Changes in Equity for years ended March 31, 2020, March 31, 2019 (Proforma) and March 31, 2018 (Proforma), and the Significant Accounting Policies and explanatory notes (collectively, the 'Consolidated Financial Statements' or 'Statements').

The Consolidated Financial Statements have been compiled from:

- Audited Interim Consolidated financial statements of the Parent as at and for the nine months period ended December 31, 2020 prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on April 27, 2021. The Company will prepare and issue its first complete Ind AS financial statements as at and for the year ending March 31, 2021.
- Audited Interim Consolidated financial statements of the Parent as at and for the nine months period ended December 31, 2019 prepared in accordance with the Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on April 27, 2021.
- Audited Consolidated financial statements of the Parent as at and for the year ended March 31, 2020, which were prepared in accordance with accounting principles generally accepted in India ("Indian GAAP") as prescribed under Section 133 of the Act read with Companies (Accounts) Rules 2014 (as amended), which have been approved by the Board of Directors at their meeting held on August 28,2020. The Parent has restated financial information for the year ended March 31, 2020 included in such Indian GAAP Consolidated financial statements, using recognition and measurement principles of Ind AS.
- Audited Consolidated financial statements of the Parent as at and for the year ended March 31, 2019, which were prepared in accordance with accounting principles generally accepted in India ("Indian GAAP") as prescribed under Section 133 of the Act read with Companies (Accounts) Rules 2014 (as amended), which have been approved by the Board of Directors at their meeting held on September 25, 2019. The parent has restated financial information for the year ended March 31, 2019 included in such Indian GAAP Consolidated financial statements, using recognition and measurement principles of Ind AS. The Restated Consolidated Financial Statements also includes Proforma Consolidated Ind AS Summary Statements for the year ended March 31, 2019 which have been prepared from the audited Consolidated financial statements of the parent as at and for the year ended March 31, 2019; have been adjusted as described in Note 4 of Annexure V to the Restated Consolidated Financial Statements to make them compliant with recognition and measurement under Ind-AS.
- The proforma summary statements of the parent as at and for the years ended March 31, 2019 and March 31, 2018, have prepared in accordance with requirements of SEBI Circular and the Guidance Note. For the purpose of Proforma Financial Statements for the years ended March 31, 2019 (Proforma) and March 31, 2018 (Proforma), the parent has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as would initially be adopted on transition date i.e. April 01, 2019 for the preparation of first time Ind AS financial statements for the year ended March 31, 2021. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the proforma summary statements for the years ended March 31, 2019 and March 31, 2018 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) (refer note 42 for other exemptions and exceptions) consistent with that to be used at the date of transition to Ind AS (i.e. April 01, 2019).
-The difference between equity balance computed under proforma summary statements for the year ending March 31, 2019 (i.e. equity under Indian GAAP adjusted for impact of Ind AS 101 items and after considering profit or loss for the year ended March 31, 2019, with adjusted impact due to Ind-AS principles applied on proforma basis) and equity balance computed in opening Ind AS balance sheet as at transition date (i.e. April 01, 2019), to be prepared for filing under Companies Act, 2013 has been adjusted as a part of restated adjustments and carried forward to opening Ind AS Balance sheet as at transition date to be adopted for reporting under Companies Act, 2013.

The proforma summary statements of the Parent as at and for the years ended March 31, 2019 and March 31, 2018, have been prepared in accordance with requirements of SEBI Circular and the Guidance Note. For the purpose of Proforma Financial Statements for the years ended March 31, 2019 (Proforma) and March 31, 2018 (Proforma), the Parent has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as would initially be adopted on transition date i.e. April 01, 2019 for the preparation of first time Ind AS financial statements for the year ended March 31, 2021. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the proforma summary statements for the years ended March 31, 2019 and March 31, 2018 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) (refer note 43 for other exemptions and exceptions) consistent with that to be used at the date of transition to Ind AS (i.e. April 01, 2019).
-The difference between equity balance computed under proforma summary statements for the year ending March 31, 2019 (i.e. equity under Indian GAAP adjusted for impact of Ind AS 101 items and after considering profit or loss for the year ended March 31, 2019, with adjusted impact due to Ind-AS principles applied on proforma basis) and equity balance computed in opening Ind AS balance sheet as at transition date (i.e. April 01, 2019), to be prepared for filing under Companies Act, 2013 has been adjusted as a part of restated adjustments and carried forward to opening Ind AS Balance sheet as at transition date to be adopted for reporting under Companies Act, 2013.

iii) Historical cost convention

The Restated 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 Restated 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 restated consolidated summary financial information incorporate the financial statements of the Company and entities 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 FY2018-19 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 parent. The parent 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-Parent transactions, balances and unrealised gains on transactions between Parent 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 parent's accounting policies.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Restated Consolidated Statement of Profit and Loss, Restated Consolidated Statement of Changes in Equity and Restated Consolidated Statement of Assets and Liabilities respectively.

In the restated 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 parent 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 Parent'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 parent'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 parent's share of losses of an associate exceeds the parent's interest in that associate, the parent discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the parent 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 restated consolidated statement of profit and loss reflects the parent'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 parent's other comprehensive income. In addition, when there has been a change recognized directly in the equity of the Associates & Joint Venture, the parent recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the parent and the associated are eliminated to the extent of the interest in the associate.

The parent 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 parent retains an interest in the former associate and the retained interest is a financial asset, the parent 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 parent 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 parent reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When the parent reduces its ownership interest in an associate or a joint venture but the parent continues to use the equity method, the parent 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 parent's share of profit and loss of an associate is shown on the face of the restated 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 parent. After application of the equity method, the parent determines whether it is necessary to recognise an impairment loss on its investment in its Associates & Joint Venture. At each reporting date, the parent determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the parent 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 restated consolidated summary statement of profit and loss.

2.03 Current versus non-current classification

The Parent 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
- 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 parent 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 parent 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 parent 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 Parents) 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 Parent 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 parent 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 parent'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 parent 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 parent'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 same components within the parent'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 parent and the cost of item can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the parent 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 parent 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. The Parent has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. 1 April 2019 while preparing Proforma Restated Consolidated Ind AS Financial Information for the years ended 31 March 2019 and 31 March 2018. Also, refer note 43.

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 parent 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 parent expects to derive economic benefits from the use of the assets.

Transition to Ind AS

On transition to Ind AS, the Parent 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 property, plant and equipment. The parent has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. 1 April 2019 while preparing Proforma Restated Consolidated Ind AS Financial Information for the years ended 31 March 2019 and 31 March 2018. Also, refer note 43

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 Parented at the lowest levels for the which there are separately identifiable cash inflows which largely independent of the cash inflows from other assets or Parents 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 parent 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 parent 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 parent. 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 parent 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 parent may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The parent makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the parent 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 parent 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 parent of similar financial assets) is primarily derecognized (i.e. removed from the parent's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- the parent 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 parent has transferred the rights to receive cash flows from the financial assets or

  (b) the parent 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 Parent has transferred an asset, the Parent 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 Parent 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 Parent has not retained control of the financial asset. Where the Parent 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 Parent 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 Parent follows "simplified approach" for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables;

Under the simplified approach, the Parent 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 Parent 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 Parent 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 Parent 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 Parent 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 Parent 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 value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. the Parent 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 Parent 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 Parent 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 Parent 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 Parent 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 Parent 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 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 Parent 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 Parent's senior management determines change in the business model as a result of external or internal changes which are significant to the Parent's operations. Such changes are evident to external parties. A change in the business model occurs when the Parent either begins or ceases to perform an activity that is significant to its operations. If the Parent 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 Parent 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 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 Parent'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 Parent 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 Parent expects to be entitled in exchange for those goods or services. The Parent collects Goods and Service Tax on behalf of government, and therefore, these are not consideration to which the Parent is entitled, hence, these are excluded from revenue. The Parent 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 Parent 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 Parent 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 Parent 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 Parent receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Parent 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 Parent 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 Parent has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Parent 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 Parent 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 Parent 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 Parent 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 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 Parent recognises related restructuring costs.
Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Parent 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

b) **Provident fund**

The Parent 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 Parent'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 Parent makes prescribed monthly contributions towards Employees' State Insurance Scheme.

d) **Superannuation Scheme**

The parent 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 parent makes contributions to the Pension Scheme fund in respect of certain employees of the Company.

2.15 Leases- Parent 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 Parent 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 Parent's financial statements as a right-of-use asset and a lease liability.

Lease contracts may contain both lease and non-lease components. The Parent 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. 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 Parent 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 Parent is reasonably certain to exercise and excludes the effect of early termination options where the Parent is not reasonably certain that it will exercise the option. Minimum lease payments include the cost of a purchase option if the Parent 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 Parent 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 Parent'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 Parent 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 Parent's financial statements are presented in Indian rupee (INR) which is also the Parent'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 Parent 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 Parent 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 Parent 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 Parent from such assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.22 Fair value measurement

The Parent 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 Parent.

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 Parent 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 Parent 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 Parent 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 Restated consolidated statement of cash flows

Restated 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.

2.25 Significant accounting judgements, estimates and assumptions

The preparation of the Parent'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 Parent's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the Restated 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 Parent uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Parent'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 Parent 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 Parent 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 Parent 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 Parent'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 Parent 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 Parent 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 Parent 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 Parent 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 Parent. 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 Parent 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 38.

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 Parent'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.

Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited)
CIN: U74899UR2001PLC033407
Annexure V- Notes to Restated Consolidated financial statements
(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
Deemed Cost (refer note 43)									
As at April 01, 2017	77.98	227.57	390.81	7.76	2.39	6.32	40.80	9.77	763.40
Additions	16.41	57.47	79.30	3.28	0.08	3.99	2.56	0.83	163.92
Disposals	-	0.28	0.27	-	-	-	0.17	0.32	1.04
As at March 31, 2018	**94.39**	**284.76**	**469.84**	**11.04**	**2.47**	**10.31**	**43.19**	**10.28**	**926.28**
Additions	-	94.15	15.92	2.65	0.10	2.28	1.47	2.42	118.99
Disposals	-	-	-	-	-	-	-	2.62	2.62
On disposal of subsidiary company	16.41	68.92	160.00	4.29	1.29	5.19	1.91	0.04	258.05
As at March 31, 2019	**77.98**	**309.99**	**325.76**	**9.40**	**1.28**	**7.40**	**42.75**	**10.04**	**784.60**
Proforma Ind AS adjustment	-	(36.11)	(119.89)	(2.70)	(0.85)	(4.12)	(20.67)	(3.57)	(187.91)
As at April 01, 2019	**77.98**	**273.88**	**205.87**	**6.70**	**0.43**	**3.28**	**22.08**	**6.47**	**596.69**
Additions	-	18.79	93.19	0.33	0.37	1.89	8.81	0.63	124.01
Disposals	-	-	1.94	-	-	-	-	0.29	2.23
As at December 31, 2019	**77.98**	**292.67**	**297.12**	**7.03**	**0.80**	**5.17**	**30.89**	**6.81**	**718.47**
As at April 01, 2019	**77.98**	**273.88**	**205.87**	**6.70**	**0.43**	**3.28**	**22.08**	**6.47**	**596.69**
Additions	-	27.97	104.83	3.15	0.37	2.12	9.06	0.63	148.13
Disposals	-	-	1.94	-	-	-	-	0.29	2.23
As at March 31, 2020	**77.98**	**301.85**	**308.76**	**9.85**	**0.80**	**5.40**	**31.14**	**6.81**	**742.59**
On acquisition of subsidiary	137.73	145.15	386.24	13.78	6.19	-	-	-	689.09
Additions	-	-	35.33	1.82	0.13	1.31	3.45	1.02	43.06
Disposals	-	-	-	-	-	-	-	1.32	1.32
As at December 31, 2020	**215.71**	**447.00**	**730.33**	**25.45**	**7.12**	**6.71**	**34.59**	**6.51**	**1,473.42**
Depreciation									
As at April 01, 2017	-	-	-	-	-	-	-	-	-
Charge for the year	-	25.03	111.78	2.37	1.04	2.28	12.98	3.19	158.67
Adjustment	-	-	-	-	-	-	-	-	-
Disposals	-	-	0.01	-	-	-	-	0.24	0.25
As at March 31, 2018	**-**	**25.03**	**111.77**	**2.37**	**1.04**	**2.28**	**12.98**	**2.95**	**158.42**
Charge for the year	-	22.17	57.24	1.88	0.43	3.04	7.88	2.76	95.40
Adjustment	-	-	(0.75)	(0.07)	(0.08)	-	-	-	(0.90)
Disposals	-	-	-	-	-	-	-	2.14	2.14
On disposal of subsidiary company	-	11.09	49.87	1.62	0.70	1.20	0.19	-	64.67
As at March 31, 2019	**-**	**36.11**	**119.89**	**2.70**	**0.85**	**4.12**	**20.67**	**3.57**	**187.91**
Proforma Ind AS adjustment	-	(36.11)	(119.89)	(2.70)	(0.85)	(4.12)	(20.67)	(3.57)	(187.91)
As at April 01, 2019	**-**	**(0.00)**	**(0.00)**	**-**	**0.00**	**0.00**	**-**	**0.00**	**-**
Charge for the year	-	19.96	30.85	1.18	0.30	1.30	4.55	1.57	59.71
Adjustment	-	(0.38)	-	-	-	-	-	-	(0.38)
Disposals	-	-	1.75	-	-	-	-	0.26	2.01
As at December 31, 2019	**-**	**19.58**	**29.10**	**1.18**	**0.30**	**1.30**	**4.55**	**1.31**	**57.32**
As at April 01, 2019	**-**	**(0.00)**	**(0.00)**	**-**	**0.00**	**0.00**	**-**	**0.00**	**-**
Charge for the year	-	26.51	44.54	1.59	0.40	1.92	6.52	2.09	83.57
Adjustment on Ind AS	-	-	-	-	-	-	-	-	
Adjustment	-	-	-	-	-	-	-	-	-
Disposals	-	-	1.75	-	-	-	-	0.26	2.01
As at March 31, 2020	**-**	**26.51**	**42.79**	**1.59**	**0.40**	**1.92**	**6.52**	**1.83**	**81.56**
On acquisition of subsidiary	-	86.09	267.70	10.00	5.46	-	-	-	369.25
Charge for the year	-	24.07	53.14	2.40	0.37	1.21	5.02	1.19	87.40
Adjustment	-	(0.36)	-	-	-	-	-	-	(0.36)
Disposals	-	-	-	-	-	-	-	1.05	1.05
As at December 31, 2020	**-**	**136.31**	**363.63**	**13.99**	**6.23**	**3.13**	**11.54**	**1.97**	**536.80**
Net Carrying Value									
As at March 31, 2018	**94.39**	**259.73**	**358.07**	**8.67**	**1.43**	**8.03**	**30.21**	**7.33**	**767.86**
As at March 31, 2019	**77.98**	**273.88**	**205.87**	**6.70**	**0.43**	**3.28**	**22.08**	**6.47**	**596.69**
As at December 31, 2019	**77.98**	**273.09**	**268.02**	**5.85**	**0.50**	**3.87**	**26.34**	**5.50**	**661.15**
As at March 31, 2020	**77.98**	**275.34**	**265.97**	**8.26**	**0.40**	**3.48**	**24.62**	**4.98**	**661.03**
As at December 31, 2020	**215.71**	**310.69**	**366.70**	**11.46**	**0.89**	**3.58**	**23.05**	**4.54**	**936.62**

Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited)
CIN: U74899UR2001PLC033407
Annexure V- Notes to Restated Consolidated financial statements
(All amounts in Indian Rupees in millions, unless otherwise stated)

4	Capital Work-in-progress	Amount
	As at April 01, 2017	**153.42**
	Additions	49.68
	Other direct expense	4.67
	Capitalized during the year	102.60
	As at March 31, 2018	**105.17**
	Additions	35.91
	Other direct expense	0.48
	Capitalized during the year	95.69
	On disposal of subsidiary company	0.08
	As at March 31, 2019	**45.79**
	As at April 01, 2019	**45.79**
	Additions	51.89
	Other direct expense	-
	Capitalized during the period	94.70
	As at December 31, 2019	**2.98**
	As at April 01, 2019	**45.79**
	Additions	-
	Other direct expense	67.60
	Capitalized during the year	113.39
	As at March 31, 2020	**-**
	Additions	3.72
	Other direct expense	-
	Capitalized during the period	-
	As at December 31, 2020	**3.72**

5 Right of Use			
	Leasehold land	**Leasehold Buildings**	**Total**
Deemed Cost			
As at April 1, 2017	-	-	-
Adjustment on account of Ind AS 116	30.96	38.38	69.34
Additions	-	-	-
Deductions	-	-	-
As at March 31, 2018	**30.96**	**38.38**	**69.34**
Additions	-	-	-
On disposal of subsidiary company	15.55	-	**15.55**
Deductions	-	-	-
As at March 31, 2019	**15.41**	**38.38**	**53.79**
Proforma Ind AS adjustment (Refer Note No. 43)	(0.35)	(11.95)	(12.30)
Proforma Ind AS adjustment due to difference in transition d	(0.04)	1.17	1.13
As at April 1, 2019	**15.02**	**27.60**	**42.62**
Additions	-	-	-
Deductions	-	-	-
As at December 31, 2019	**15.02**	**27.60**	**42.62**
As at April 1, 2019	**15.02**	**27.60**	**42.62**
Additions	-	-	-
Deductions	-	-	-
As at March 31, 2020	**15.02**	**27.60**	**42.62**
Additions	-	-	-
Deductions	-	-	-
As at December 31, 2020	**15.02**	**27.60**	**42.62**
Depreciation / Amortization			
As at April 1, 2017	-	-	-
Charge for the year	0.81	5.97	6.78
Deductions	-	-	-
As at March 31, 2018	**0.81**	**5.97**	**6.78**
Charge for the year	0.55	5.97	6.52
On disposal of subsidiary company	(1.01)	-	(1.01)
Deductions	-	-	-
As at March 31, 2019	**0.35**	**11.94**	**12.29**
Proforma Ind AS adjustment (Refer Note No. 43)	(0.35)	(11.94)	(12.29)
As at April 1, 2019	-	-	-
Charge for the period	0.13	4.80	4.93
Deductions	-	-	-
As at December 31, 2019	**0.13**	**4.80**	**4.93**
As at April 1, 2019	-	-	-
Charge for the year	0.17	6.38	6.55
Deductions	-	-	-
As at March 31, 2020	**0.17**	**6.38**	**6.55**
Charge for the period	0.13	4.80	4.93
Deductions	-	-	-
As at December 31, 2020	**0.30**	**11.18**	**11.48**
Net Carrying Value			
As at March 31, 2018	**30.15**	**32.41**	**62.56**
As at March 31, 2019	**15.06**	**26.44**	**41.50**
As at December 31, 2019	**14.89**	**22.80**	**37.69**
As at March 31, 2020	**14.85**	**21.22**	**36.07**
As at December 31, 2020	**14.72**	**16.42**	**31.14**

Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited)
CIN: U74899UR2001PLC033407
Annexure V- Notes to Restated Consolidated financial statements
(All amounts in Indian Rupees in millions, unless otherwise stated)

6 Goodwill		
	Amount	**Total**
Deemed Cost		
As at April 01, 2017	-	-
Additions	-	-
Disposals	-	-
As at March 31, 2018	-	-
Additions	-	-
Disposals	-	-
As at March 31, 2019	-	-
As at April 01, 2019	-	-
Additions	-	-
Disposals	-	-
As at December 31, 2019	-	-
As at April 01, 2019	-	-
Additions	-	-
Disposals	-	-
As at March 31, 2020	-	-
On acquisition of subsidiary (Refer Note 44(ii))	272.64	272.64
Additions	-	-
Disposals	-	-
As at December 31, 2020	**272.64**	**272.64**
Amortization / Impairment		
As at April 01, 2017	-	-
Charge for the year	-	-
Disposals	-	-
As at March 31, 2018	-	-
Charge for the year	-	-
Disposals	-	-
As at March 31, 2019	-	-
Proforma Ind AS adjustment (Refer Note 43)	-	-
As at April 01, 2019	-	-
Charge for the year	-	
Disposals	-	
As at December 31, 2019	-	-
As at April 01, 2019	-	-
Charge for the period	-	-
Disposals	-	-
As at March 31, 2020	-	-
On acquisition of subsidiary	-	-
Charge for the period	-	-
Impairment of Goodwill (Refer Note 33)	272.64	272.64
Disposals	-	-
As at December 31, 2020	**272.64**	**272.64**
Net Carrying Value		
As at March 31, 2018	-	-
As at March 31, 2019	-	-
As at December 31, 2019	-	-
As at March 31, 2020	-	-
As at December 31, 2020	-	-

Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited)
CIN: U74899UR2001PLC033407
Annexure V- Notes to Restated Consolidated financial statements
(All amounts in Indian Rupees in millions, unless otherwise stated)

6 (a) Other Intangible asset

	Product development	Software	Total
Deemed Cost			
As at April 01, 2017	-	17.36	17.36
Additions	22.41	2.71	25.12
Disposals	-	-	-
As at March 31, 2018	**22.41**	**20.07**	**42.48**
Additions	-	0.40	0.40
Disposals	-	-	-
On disposal of subsidiary company	22.41	10.39	32.80
As at March 31, 2019	**-**	**10.08**	**10.08**
Proforma Ind AS adjustment (Refer Note No. 43)	-	(5.66)	(5.66)
As at April 01, 2019	**-**	**4.42**	**4.42**
Additions	-	2.54	2.54
Disposals	-	-	-
As at December 31, 2019	**-**	**6.96**	**6.96**
As at April 01, 2019	**-**	**4.42**	**4.42**
Additions	-	3.91	3.91
Disposals	-	-	-
As at March 31, 2020	**-**	**8.33**	**8.33**
On acquisition of subsidiary	**22.41**	**17.00**	**39.41**
Additions	**-**	0.16	0.16
Disposals	**-**	**-**	**-**
Impairment of asset	**(14.00)**	**-**	**(14.00)**
As at December 31, 2020	**8.41**	**25.49**	**33.90**
Amortization			
As at April 01, 2017	-	-	**-**
Charge for the year	2.24	5.78	8.02
Disposals	-	-	**-**
As at March 31, 2018	**2.24**	**5.78**	**8.02**
Charge for the year	-	5.00	5.00
Disposals	2.24	-	**2.24**
On disposal of subsidiary company	-	5.12	**5.12**
As at March 31, 2019	**-**	**5.66**	**5.66**
Proforma Ind AS adjustment (Refer Note No. 43)	-	(5.66)	(5.66)
As at April 01, 2019	**-**	**-**	**-**
Charge for the period	-	2.06	2.06
Disposals	-	-	-
As at December 31, 2019	**-**	**2.06**	**2.06**
As at April 01, 2019	-	-	-
Charge for the year	-	2.81	2.81
Disposals	-	-	**-**
As at March 31, 2020	**-**	**2.81**	**2.81**
On acquisition of subsidiary	**6.82**	**14.99**	**21.81**
Charge for the period	1.59	2.51	4.10
Impairment loss	-	-	-
Disposals	-	-	-
As at December 31, 2020	**8.41**	**20.31**	**28.72**
Net Carrying Value			
As at March 31, 2018	**20.17**	**14.29**	**34.46**
As at March 31, 2019	**-**	**4.42**	**4.42**
As at December 31, 2019	**-**	**4.90**	**4.90**
As at March 31, 2020	**-**	**5.52**	**5.52**
As at December 31, 2020	**(0.00)**	**5.18**	**5.18**

Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited)
CIN: U74899UR2001PLC033407
Annexure V- Notes to Restated Consolidated financial statements
(All amounts in Indian Rupees in millions, unless otherwise stated)

6 (b) Intangible Assets Under Development	Amount
As at April 01, 2017	**334.84**
Additions	112.87
Other direct expense	-
Capitalized during the year	22.41
Write off	4.91
As at March 31, 2018	**420.39**
Less : On disposal of subsidiary company	420.39
Additions	-
Other direct expense	-
Capitalized during the year	-
Write off	-
As at March 31, 2019	**-**
Additions	-
Other direct expense	-
Capitalized during the period	-
Write off	-
As at December 31, 2019	**-**
As at April 1, 2019	**-**
Additions	-
Other direct expense	-
Capitalized during the year	-
Write off	-
As at March 31, 2020	**-**
Additions	-
On acquisition of subsidiary	-
Other direct expense	-
Capitalized during the period	-
Write off	-
As at December 31, 2020	**-**

Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited)
CIN: U74899UR2001PLC033407
Annexure V- Notes to Restated Consolidated financial statements
(All amounts in Indian Rupees in millions, unless otherwise stated)

7 Income Tax	For the 9 month period ended December 31, 2020	For the 9 month period ended December 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019 (Proforma)	For the year ended March 31, 2018 (Proforma)
The major components of income tax expense are:					
Profit and loss -					
Current income tax:					
Current income tax charge	23.33	71.75	85.73	120.08	98.07
Deferred tax:					
Related to origination and reversal of temporary differences	15.08	1.27	(1.18)	2.85	(11.55)
Income tax expense reported in the statement of profit and loss	**38.41**	**73.02**	**84.55**	**122.93**	**86.52**
Reconciliation of tax expense and accounting profit					
Accounting profit / (loss) before tax from continuing operations	135.15	230.52	246.68	761.15	198.50
Statutory income tax rate applicable	25.17%	25.17%	25.17%	34.94%	34.61%
Tax at India's statutory income tax rate	34.00	58.01	62.09	265.99	68.70
Adjustment for less depreciation under income tax	0.68	(0.68)	0.36	0.92	13.83
Adjustment for gratuity, leave encashment and bonus allowed on actual paid basis	1.30	4.80	7.21	2.85	1.20
Income not taxable	53.51	7.29	14.09	(146.51)	18.21
Other expenses disallowed	8.94	1.81	2.14	9.28	10.33
Expenses disallowed in previous year now allowed	(81.75)	-	(0.93)	(13.89)	(3.99)
Deduction available for research and development expenditure u/s 35 of Income tax Act, 1961	-	-	-	-	(10.16)
Income chargeable at different tax rate	6.76	-	-	0.95	-
Deferred tax asset expense/ (credit) during the year	15.08	1.27	(1.18)	2.85	(11.55)
Deferred tax expense/(credit) on items of OCI	(0.11)	0.52	0.77	0.49	(0.05)
Income tax expense reported in the statement of profit and loss	**38.41**	**73.03**	**84.55**	**122.93**	**86.52**

Statement of Profit & Loss

Movement of deferred tax	**For the 9 month period ended Decemb**	**nth period ended Decemb**	**March 31, 2020**	**March 31, 2019 (Proforma)**	**March 31, 2018 (Proforma)**
Accelerated depreciation as per Income tax Act, 1961	28.74	5.57	4.56	(0.84)	(10.34)
Employee benefits	0.97	(1.52)	(3.93)	(0.90)	(1.32)
Financial instruments measured at amortised cost	0.31	0.94	1.04	0.44	0.41
Financial instruments measured at fair value through P&L	(13.89)	(1.72)	(1.03)	3.65	0.82
Right of use, net of lease liability	(0.36)	(2.72)	(2.85)	(0.09)	(1.12)
Others	(0.58)	0.20	0.26	0.49	0.05
Effect of change in tax rate	-	-	-	-	-
Impact of proforma Ind AS adjustment	-	-	-	(0.39)	-
	15.19	0.75	(1.95)	2.36	(11.50)
Tax impact of other comprehensive income	(0.11)	0.52	0.77	0.49	(0.05)
Deferred tax expense/ (credit) charged in profit and loss	**15.08**	**1.27**	**(1.18)**	**2.85**	**(11.55)**

Balance sheet

Deferred tax created on:	**For the 9 month period ended Decemb**	**ed December 31, 2019**	**March 31, 2020**	**March 31, 2019 (Proforma)**	**March 31, 2018 (Proforma)**
Accelerated depreciation as per Income tax Act, 1961	(15.15)	12.58	13.59	18.14	17.30
Employee benefits	9.55	8.11	10.52	6.59	5.70
Financial instruments measured at amortised cost	1.03	1.43	1.33	2.37	2.81
Financial instruments measured at fair value through P&L	(1.18)	(14.39)	(15.08)	(16.11)	(12.46)
Right of use, net of lease liability	(4.93)	(5.43)	(5.29)	(7.75)	(8.23)
Others	2.14	1.63	1.56	1.84	2.32
	(8.54)	3.93	6.63	5.08	7.44
Deferred tax comprise of:					
Deferred tax asset	15.72	27.85	30.84	35.69	36.48
Deferred tax liability	(24.26)	(23.92)	(24.21)	(30.61)	(29.04)
Net deferred tax asset/ (liability)	**(8.54)**	**3.93**	**6.63**	**5.08**	**7.44**

8 Current Tax assets (net)	For the 9 month period ended Decemb	For the 9 month period	March 31, 2020	March 31, 2019 (Proforma)	March 31, 2018 (Proforma)
Advance tax (net of provision for taxation)	26.82	13.51	8.95	-	8.26
Total	**26.82**	**13.51**	**8.95**	**-**	**8.26**

Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited)
CIN: U74899UR2001PLC033407
Annexure V- Notes to Restated Consolidated financial statements
(All amounts in Indian Runees in millions. unless otherwise stated)

9	Investments	Current					Non-Current				
		As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)
	Investments in Associate, measured at cost (unquoted):										
	Nil (March 31, 2020: 23,133,713; December 31, 2019: 23,133,713; March 31, 2019: 23,133,713, March 31, 2018 - Nil) equity shares of Windlas Healthcare Private Limited	-	-	-	-	-	-	1,014.51	1,014.51	1,019.16	-
	Share in gain/(loss) of associate	-	-	-	-	-	-	(41.48)	(74.50)	(4.65)	-
	Net investment in associate	-	-	-	-	-	-	973.03	940.01	1,014.51	-
	Investment in Mutual Funds measured at fair value through P&L										
	HDFC Liquid Fund - Direct Plan Growth Option - Nil(March 31, 2020: 16,144.815, December 31,2019 : 16,144.815, March 31, 2019: 16,144.815, March 31, 2018: 16,144.815 units)	-	63.35	64.24	60.49	56.31	-	-	-	-	-
	ICICI Flexible Income Plan - Direct Plan Growth - Nil (March 31, 2020: 2,06,838.206, December 31, 2019 : 10,184,398, March 31, 2019: 2,06,838.206, March 31, 2018 : 2,36,093.566 units)	-	79.52	80.74	74.70	79.07	-	-	-	-	-
	SBI Premier Liquid Fund - Direct Plan Growth - Nil(March 31, 2020: 24,619.433, December 31, 2019: 24,619.43, March 31, 2019 : 24,619.43, March 31, 2018 : 31,869.109 units)	-	75.47	76.54	72.10	86.82	-	-	-	-	-
	HDFC Growth Fund - Regular Plan - 8520.46 Units (March 31, 2020 : 8520.46, December 31, 2019 : 8520.46, March 31, 2019 : 8520.46, March 31, 2018 : 8520.46 Units)	1.85	1.71	1.28	1.71	1.64	-	-	-	-	-
	HDFC Low Duration Fund - Direct Plan Growth Option - 12,74,812.78 units(March 31, 2020 : Nil, December 31, 2019 : Nil, March 31, 2019 : Nil, March 31, 2018 : Nil Units)	60.21	-	-	-	-	-	-	-	-	-
	ICICI Prudential Savings Fund - Direct Plan - Growth - 4,02,128.239 units(March 31, 2020 : Nil, December 31, 2019 : Nil, March 31, 2019 : Nil, March 31, 2018 : Nil Units)	168.05	-	-	-	-	-	-	-	-	-
Add:	**Investment in Joint Ventures:**										
	Investments in USpharma Windlas LLC (Refer Note 47)	-	-	-	-	-	-	-	-	-	1.88
	Share in gain/(loss) of joint venture	-	-	-	-	-	-	-	-	-	-
	Net Investments in joint venture	-	-	-	-	-	-	-	-	-	1.88
	Total	**230.11**	**220.05**	**222.80**	**209.00**	**223.84**	-	**973.03**	**940.01**	**1,014.51**	**1.88**

*Cost of Investment as on Decemeber 31,2020: Rs. 225.40 millions (HDFC Growth Fund Rs. 0.4 millions , HDFC Low Duration Fund is Rs. 60 millions & ICICI Prudential Saving Fund Rs. 165 millions). December 31, 2019: Rs. 162.90 millions (HDFC Growth Fund Rs. 0.4 millions, SBI Premier Liquid Fund Rs. 57.01 millions, ICICI Flexible Income Plan Rs. 57.64 millions & HDFC Liquid Fund Rs. 47.85 millions). March 31, 2020: Rs. 162.90 millions (HDFC Growth Fund Rs. 0.4 millions, SBI Premier Liquid Fund Rs. 57.01 millions, ICICI Flexible Income Plan Rs. 57.64 millions & HDFC Liquid Fund Rs. 47.85 millions). March 31, 2019: Rs. 162.90 millions (HDFC Growth Fund Rs. 0.4 millions, SBI Premier Liquid Fund Rs. 57.01 millions, ICICI Flexible Income Plan Rs. 57.64 millions & HDFC Liquid Fund Rs. 47.85 millions) March 31, 2018: Rs. 187.84 millions (HDFC Growth Fund Rs. 0.4 millions, SBI Premier Liquid Fund Rs. 73.80 millions, ICICI Flexible Income Plan Rs. 65.79 millions & HDFC Liquid Fund Rs. 47.85 millions)

10	Loans	Current					Non-Current				
		As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)
	At amortized cost										
	Security deposits- unsecured, considered good*	-	-	-	-	-	28.89	21.99	22.44	21.06	24.99
	Total	-	-	-	-	-	**28.89**	**21.99**	**22.44**	**21.06**	**24.99**

*Security deposits includes Rs. 28.88 millions (December 31, 2019: 21.99 millions; March 31, 2020: Rs. 22.44 millions; March 31, 2019: Rs. 21.06 millions; March 31, 2018: Rs. 24.99 millions) towards security deposit paid for Gurugram Office

11	Other financial assets	Current					Non-Current				
		As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)
	Advance to Employees	0.25	0.45	0.31	0.40	0.49	-	-	-	-	-
	Interest accrued on fixed deposits	1.95	0.40	0.64	0.51	-	-	-	-	-	-
	Earnest money deposit*	2.09	0.87	-	-	-	-	-	-	-	-
	Total	**4.29**	**1.72**	**0.95**	**0.91**	**0.49**	-	-	-	-	-

***Earnest money deposit as on December 31,2020 Rs 2.09 millions : (Rs 0.02 millions towards deposit in favour of " Central Railway Mumbai" , Rs 0.30 millions towards deposit in favour of "NDMC", Rs 0.14 millions towards deposit in favour of "MP Corporation" ,Rs 0.11 millions towards deposit in favour of "Railway Gujarat", Rs 0.09 millions towards deposit in favour of "Punjab Corporation", Rs 0.08 millions towards deposit in favour of "AP Corporation", Rs 0.50 millions towards deposit in favour of "DHS CPA Delhi", Rs 0.85 millions towards deposit in favour of "Odisha Corporation". Earnest money deposit as on December 31,2019 Rs 0.87 millions : (Rs 0.10 millions towards deposit in favour of " BMSICL Bihar" , Rs 0.20 millions towards deposit in favour of "Madhya Pradesh Public Health Service Corporation Limited", Rs 0.20 millions towards deposit in favour of "RMSCL" ,Rs 0.02 millions towards deposit in favour of "West Bengal Railway", Rs 0.30 millions towards deposit in favour of "AP Tender", Rs 0.05 millions towards deposit in favour of "Delhi University"**

12	Other assets	Current					Non-Current				
		As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)
	Advances to suppliers/ vendors										
	Capital Advances	-	-	-	-	-	5.56	4.83	3.54	20.54	5.10
	Advances to Suppliers	22.91	8.51	8.54	6.18	1.27	-	-	-	-	-
	Other Advances	-	-	-	0.59	6.73	-	-	-	-	-
	Other assets										
	Balances with government authorities**	108.02	76.34	118.68	45.58	100.65	36.68	25.68	28.02	25.77	27.86
	Prepaid expenses	3.72	2.63	3.98	2.76	5.19	-	-	-	-	-
	Fixed Deposit- Original maturity more than 1 year and accrued interest	-	-	-	-	-	-	4.78	1.33	1.84	1.64
	Total	**134.65**	**87.48**	**131.20**	**55.11**	**113.84**	**42.24**	**35.29**	**32.89**	**48.15**	**34.60**

**Non current balances with government authorities for all the periods includes Rs. 25.30 millions in respect of excise duty paid under protest by the company. In the FY 2008-09, the Company has deposited state excise duty under protest Rs. 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.

Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited)
CIN: U74899UR2001PLC033407
Annexure V- Notes to Restated Consolidated financial statements
(All amounts in Indian Rupees in millions, unless otherwise stated)

13	**Inventories**	**As at December 31, 2020**	**As at December 31, 2019**	**As at March 31, 2020**	**As at March 31, 2019 (Proforma)**	**As at March 31, 2018 (Proforma)**
	The Inventory is valued at lower of cost and net realizable value					
	Classification of Inventories:					
	Raw Materials & Packing Materials	321.88	208.84	309.00	131.97	225.59
	Consumables	18.57	9.52	9.06	10.69	27.12
	Work-in-progress	68.02	40.83	40.98	14.37	39.37
	Finished Goods	59.24	52.43	134.13	33.24	58.46
	Total	**467.71**	**311.62**	**493.17**	**190.27**	**350.54**

14	**Trade receivables**	**As at December 31, 2020**	**As at December 31, 2019**	**As at March 31, 2020**	**As at March 31, 2019 (Proforma)**	**As at March 31, 2018 (Proforma)**
	Unsecured - Considered good	940.64	759.18	639.38	617.35	665.91
	Unsecured - Considered doubtful	8.52	6.48	6.20	5.25	9.02
		949.16	**765.66**	**645.58**	**622.60**	**674.93**
	Less: Allowance for expected credit loss	(8.52)	(6.48)	(6.20)	(5.25)	(9.02)
	Total	**940.64**	**759.18**	**639.38**	**617.35**	**665.91**

The carrying value of the trade receivables may be affected by the changes in the credit risk as explained in note 42.
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 December 31, 2020**	**As at December 31, 2019**	**As at March 31, 2020**	**As at March 31, 2019 (Proforma)**	**As at March 31, 2018 (Proforma)**
At the beginning of the year	6.20	5.25	5.25	9.02	6.85
Provision made during the period/ year	2.32	1.23	0.95	-	2.17
Utilized /reversed during the period / year	-	-	-	(3.77)	-
At the end of the period/ year	**8.52**	**6.48**	**6.20**	**5.25**	**9.02**

Contract Balances

(A) - Trade receivables, contract assets and contract liabilities

Particulars	**As at December 31, 2020**	**As at December 31, 2019**	**As at March 31, 2020**	**As at March 31, 2019 (Proforma)**	**As at March 31, 2018 (Proforma)**
Trade receivables {Refer note (a) below}	940.64	759.18	639.38	617.35	665.91
Contract liabilities {Refer note (b) below}					
Advance from customers	7.17	3.79	7.06	5.38	13.33

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.

(B) - Unsatisfied performance obligation

Total value of performance obligation of the Company remaining unsatisfied at the end of year/period with timelines within which it is expected to recognise revenue :

Particulars					
Within one year	7.17	3.79	7.06	5.38	13.33
More than one year	-	-	-	-	-
(C) - During the period / year, revenue recognised from amounts included in contract liabilities at the beginning of the year is	7.06	5.38	5.38	13.33	43.19

15	**Cash and Bank balances**	**As at December 31, 2020**	**As at December 31, 2019**	**As at March 31, 2020**	**As at March 31, 2019 (Proforma)**	**As at March 31, 2018 (Proforma)**
15 (a)	**Cash and cash equivalents**					
	Balances with banks- in current accounts	25.98	29.00	6.65	5.17	70.10
	Fixed deposits- original maturity less than 3 months	-	-	172.51	121.96	-
	Cash in Hand	2.72	1.92	1.62	1.42	1.85
	Total	**28.70**	**30.92**	**180.78**	**128.55**	**71.95**
15 (b)	**Other than Cash and cash equivalents**					
	Fixed Deposit- Original maturity more than 3 months but upto 1 year	278.12	159.94	3.06	3.41	4.69
	Total	**278.12**	**159.94**	**3.06**	**3.41**	**4.69**

* Fixed deposits is less than 3 months maturity : (December 31, 2020 ₹ Nil, December 31, 2019: ₹ Nil, March 31, 2020: ₹ 172.51 millions, March 31, 2019: ₹121.96 millions, March 31, 2018: ₹Nil). Fixed deposits is more than 3 months and upto 12 months maturity :(December 31, 2020 ₹ 278.12 millions December 31, 2019: ₹ 159.94 millions, March 31, 2020: ₹3.06 millions, March 31, 2019 : ₹ 3.41 millions, March 31, 2018 : ₹ 4.69 millions).

Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited)
CIN: U74899UR2001PLC033407
Annexure V- Notes to Restated Consolidated financial statements
(All amounts in Indian Rupees in millions, unless otherwise stated)

16 Equity Share Capital	**As at December 31, 2020**	**As at December 31, 2019**	**As at March 31, 2020**	**As at March 31, 2019 (Proforma)**	**As at March 31, 2018 (Proforma)**
(a) Authorised Share capital					
Equity Shares					
Equity Shares of ₹10* each: 54,000,000 (Equity Shares of Rs 10 each March 31, 2020: 6,500,000, December 31, 2019: 6,500,000, March 31, 2019: 6,500,000, March 31, 2018: 6,000,000)	540.00	65.00	65.00	65.00	60.00
Instruments entirely equity in nature					
Preference Shares					
0.001% Non- Cumulative Compulsory Convertible Preference Shares of ₹100 each : 300,000 (March 31, 2020: 300,000, December 31, 2019: 300,000, March 31, 2019: 300,000, March 31, 2018: 300,000)	30.00	30.00	30.00	30.00	30.00
Optionally Convertible Preference Shares of ₹10 each : 20,500,000	205.00				
Total authorised share capital	**775.00**	**95.00**	**95.00**	**95.00**	**90.00**
(b) Issued, Subscribed & Fully Paid up Shares					
Equity Shares of ₹10* each: 6,411,063 (March 31, 2020: 6,411,063, December 31, 2019: 6,411,063, March 31, 2019: 6,411,063, March 31, 2018: 5,588,236)	64.11	64.11	64.11	64.11	55.88
0.001% Non- Cumulative Compulsory Convertible Preference Shares of ₹100 Each: Nil (March 31, 2020 : Nil, December 31, 2019 : Nil, March 31, 2019 : Nil, March 31, 2018: 294,117)	-	-	-	-	29.41
Total issued, subscribed and fully paid up share capital	**64.11**	**64.11**	**64.11**	**64.11**	**85.29**

(c) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	**As at December 31, 2020**		**As at December 31, 2019**		**As at March 31, 2020**		**As at March 31, 2019 (Proforma)**		**As at March 31, 2018 (Proforma)**	
	No. of shares*	**Amount**	**No. of shares***	**Amount**	**No. of shares***	**Amount**	**No. of shares***	**Amount**	**No. of shares***	**Amount**
Equity shares										
Balance at the beginning of the period/ year	64,11,063	64.11	64,11,063	64.11	64,11,063	64.11	55,88,236	55.88	55,88,236	55.88
Issued during the period/ year	-	-	-	-	-	-	82,829	0.83	-	-
Conversion of Preference Shares into Equity Shares during the period/ year	-	-	-	-	-	-	7,39,998	7.40	-	-
Balance at the end of the reporting period/ year	**64,11,063**	**64.11**	**64,11,063**	**64.11**	**64,11,063**	**64.11**	**64,11,063**	**64.11**	**55,88,236**	**55.88**
Instrument entirely equity in nature										
Non- Cumulative Compulsory Convertible Preference Shares										
Balance at the beginning of the period/ year	-	-	-	-	-	-	2,94,117	29.41	2,94,117	29.41
Issued during the period/ year	-	-	-	-	-	-	-	-	-	-
Converted into equity shares during the period/ year	-	-	-	-	-	-	(2,94,117)	(29.41)	-	-
Balance at the end of the reporting period/ year	-	-	-	-	-	-	-	-	**2,94,117**	**29.41**

*Impact of subsequent event of split and bonus not considered. Refer Annexure VI-subsequent event.

(d) Terms/ rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹10 per share. Each holder of Equity Shares is entitled to one vote per share. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(e) Terms/ rights attached to Preference Shares

The Company has only one class of Preference Shares having a par value of ₹100 per share. Subject to applicable law, each 0.001%Non- Cumulative Compulsory Convertible Preference Shares shall carry such voting rights as are exercisable by persons holding Equity Shares in the Company and shall be treated pari passu with the Equity Shares on all voting matte₹ In the event of liquidation, the Preference shareholders have priority over the Equity Shareholders of the Company.

(f) During the financial year 2018-19, the Company has issued and allotted 82,829 equity shares of a face value of ₹ 10 at a premium of ₹ 571.32/- to Mr. Ashok Windlas.

(g) During the financial year 2018-19, the Shareholders has passed a resolution on December 15, 2018 for change in the conversion ratio of the preference shares into equity share from 1:1 to 1:2.516 . The Preference shares holders have exercised their rights and 294,117 preference shares have been converted into 739,998 equity shares.

(h) On 23rd August 2018, Windlas Healthcare Pvt Ltd, subsidiary of the Company has converted it's OCPS (Optionally Convertible Preference Shares) of 12,949,317 numbers to equity share in ratio of 1:1 and having face value of equity share ₹10/-. It resulted in total equity shares held by Windlas Biotech Private Limited on 23rd August 2018 is 23,133,717 (Previous Year FY 2017-18 the number of equity shares was 10,184,400).

(i) Details of shareholders holding more than 5% shares in the Company

Name of shareholders	**As at December 31, 2020**		**As at December 31, 2019**		**As at March 31, 2020**		**As at March 31, 2019 (Proforma)**		**As at March 31, 2018 (Proforma)**	
	No. of shares*	**% of holding**	**No. of shares***	**% of holding**	**No. of shares***	**% of holding**	**No. of shares***	**% of holding**	**No. of shares***	**% of holding**
Equity shares of Rs. 10 each fully paid-up										
Sh. Ashok Kumar Windlass	45,00,471	70.20%	45,00,471	70.20%	45,00,471	70.20%	45,00,471	70.20%	44,17,642	79.05%
Smt. Vimla Windlass	5,00,000	7.80%	5,00,000	7.80%	5,00,000	7.80%	5,00,000	7.80%	5,00,000	8.95%
Tano India Private Equity Fund II	14,10,587	22.00%	14,10,587	22.00%	14,10,587	22.00%	14,10,587	22.00%	6,70,589	12.00%
	64,11,058	**100.00%**	**64,11,058**	**100.00%**	**64,11,058**	**100.00%**	**64,11,058**	**100.00%**	**55,88,231**	**100.00%**
Instruments entirely equity in nature										
Preference shares of Rs. 10 each fully paid-up										
Tano India Private Equity Fund II	-	-	-	-	-	-	-	-	2,94,117	100%
	-	-	-	-	-	-	-	-	**2,94,117**	**100%**

*Impact of subsequent event of split and bonus not considered. Refer Annexure VI-subsequent event.

Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited)
CIN: U74899UR2001PLC033407
Annexure V- Notes to Restated Consolidated financial statements
(All amounts in Indian Runees in millions. unless otherwise stated)

17	**Other equity**	**As at December 31, 2020**	**As at December 31, 2019**	**As at March 31, 2020**	**As at March 31, 2019 (Proforma)**	**As at March 31, 2018 (Proforma)**
	Securitv Premium*					
	Balance as per last Balance Sheet	754.91	754.91	754.91	685.58	685.58
	Add: Additions during the period/ year	-	-	-	69.33	-
	Less: Utilized during the period/ year	-	-	-	-	-
	Balance as at the period/ year end	**754.91**	**754.91**	**754.91**	**754.91**	**685.58**
	General reserve					
	Balance as per last Balance Sheet	136.25	136.25	136.25	136.25	136.25
	Add: Additions during the period/ year	-	-	-	-	-
	Less: Utilized during the period/ year	-	-	-	-	-
	Balance as at the period/ year end	**136.25**	**136.25**	**136.25**	**136.25**	**136.25**
	Capital reserve					
	Balance as per last Balance Sheet	-	-	-	3.00	3.00
	Add: Additions during the period/ year	-	-	-	-	-
	Less: Utilized during the period/ year	-	-	-	-	-
	Less: Deduction during the period/ year	-	-	-	(3.00)	-
	Balance as at the period/ year end	**-**	**-**	**-**	**-**	**3.00**
	Foreign Currencv Translation Reserve	-	-	-	(0.15)	0.05
	Balance as per last Balance Sheet	-	-	-	-	(0.20)
	Add: Profit for the period/ year	-	-	-	-	
	Less: Deduction during the period/ year	-	-	-	0.15	
	Balance as at the period/ year end	**-**	**-**	**-**	**-**	**(0.15)**
	Retained Earnines					
	Balance as per last Balance Sheet	1,141.32	980.58	980.58	340.41	228.47
	Add: Profit for the period/year	99.36	157.50	162.13	638.22	111.98
	Add: Other comprehensive income (Net of tax)	(1.86)	(0.35)	(2.12)	(1.05)	(0.04)
	Add: transfer from capital reserve	-	-	-	3.00	-
	Add: On Acquistion of non controlling interest of subsidiary company	(264.24)	-	-	-	-
	Proforma Ind AS adjustment	-	0.73	0.73	-	-
	Balance as at the end of the period/ year	**974.58**	**1,138.46**	**1,141.32**	**980.58**	**340.41**
	Total	**1,865.74**	**2,029.62**	**2,032.48**	**1,871.74**	**1,165.09**

*Securities premium represents premium received on issue of shares. It can be utilized in accordance with the provisions of the Companies Act, 2013.

Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited)
CIN: U74899UR2001PLC033407
Annexure V- Notes to Restated Consolidated financial statements
(All amounts in Indian Runees in millions. unless otherwise stated)

18	Borrowings	Non- Current					Current				
		As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)
	Term loans- Secured										
	Loan from banks	8.79	18.04	-	43.31	143.24	14.41	59.18	45.54	50.06	115.41
	Loan from others	-	-	11.71	13.65	38.12	-	-	6.44	19.16	15.28
	Vehicle loans- Secured										
	Loan from banks	-	-	0.42	0.58	-	-	-	0.17	0.15	-
	Loan from others	-	-	-	0.62	-	-	-	0.58	0.80	-
	Total	**8.79**	**18.04**	**12.13**	**58.16**	**181.36**	**14.41**	**59.18**	**52.73**	**70.17**	**130.69**

A. Terms of Loans taken

(i) Loan from SIDBI Bank amounting to Nil (March 31, 2020: ₹ 3.36 millions, December 31, 2019: ₹ 4.70 millions, March 31, 2019: ₹ 8.39 millions, March 31, 2018: ₹ 11.91 millions) carrying interest rate of 2% below SIDBI Prime Landing Rate is outstanding as on December 31, 2020 and there is no repayable instalments. The loan is secured by (A) First charge by the way of hypothication of all the movable assets including movables, Plant, Machinery, Spare, Tools and accessory, Office Equipment, Computers, Furniture and Fixture, acquired / proposed to be acquired under the project and located at khasra no. 141KHA, khasra no. 142KHA, 143KA, 145GA at Mohabewala industrial area, Dehradun, Uttrakhand. (B) Extension of first charge by the way of Hypothication of all movable assets including Plant & Machinery and Equipment, Misc. Fixed Asstes, etc. of the company whether insatlled or not and whether no liying loose and which has been acquired under the previous assistance. (C) Extension of First Charge by way of Equitable Mortgage on the Immovable Properties of Shri Ashok Kumar Windlas , Shri Sudhir Kumar Windlas and Shri Pradeep Kumar Windlas situated at 53R , Rajpur Road , Dehradun. Since the loan is repaid in full in FY21, as of now this charge does not exist. (D) Personal Guarantee of Mr. Ashok Kumar Windlass, Mr. Hitesh Windlass and Mr. Manoj Kumar Windlass.

(ii) Loan from SIDBI Bank amounting to Nil (March 31, 2020: ₹ Nil, December 31, 2019:₹ 3.30 millions, March 31, 2019: ₹ 13.73 millions, March 31, 2018: ₹ 23.39 millions) carrying interest rate of 6 month LIBOR + 45 BPS is outstanding as on December 31, 2020 and there is no repayable instalment. The loan is secured by (A) First charge by the way of hypothecation of all the movable assets including movables, Plant, Machinery, Spare, Tools and accessory, Office Equipment, Computers, Furniture and Fixture, acquired / proposed to be acquired under the project and located at khasra no. 141KHA, khasra no. 142KHA, 143KA, 145GA at Mohabewala industrial area, Dehradun, Uttarakhand. (B) Extension of first charge by the way of Hypothecation of all movable assets including Plant & Machinery and Equipment, Misc. Fixed Assets, etc. of the company whether installed or not and whether no lying loose and which has been acquired under the previous assistance. (C) Extension of First Charge by way of Equitable Mortgage on the Immovable Properties of Shri Ashok Kumar Windlas , Shri Sudhir Kumar Windlas and Shri Pradeep Kumar Windlas situated at 53R , Rajpur Road , Dehradun. Since the loan is repaid in full in FY20, as of now this charge does not exist. (D) Personal Guarantee of Mr. Ashok Kumar Windlass, Mr. Hitesh Windlass and Mr. Manoj Kumar Windlass.

(iii) Loan from IndusInd Bank amounting to Nil (March 31, 2020: Nil, December 31, 2019: Nil, March 31, 2019: Nil, March 31, 2018: ₹ 16.90 millions) carrying interest rate of 1% above Bank Base rate, (Current IBL Base rate is 11.00%) minimum current applicable rate is 12.00% is outstanding as on December 31, 2020 and there is no repayable instalment. The loan was secured by (A) First pari passu charge on all Fixed assets of the company (both present and future) except the assets acquired out of finance from other finance₹ (B) Exclusive charge on P&M, Equipment's, building procured from term loan availed from IBL. (C) Pari passu charge on the entire current assets (both present and future) of the company. (D) pari passu charge by way of EQM on the company's factory land and building at KH. No. 166Ga, 168kha, 40/1,141-kha and 143- Ka,167-Gha,168 Gha, 172 Da, Mouza Chanderbani Khalsa, Mohabewala Industrial Area, Dehradun. (E) pari passu charge by way of EQM on the company's land at khasra No. 145 Ka and Khasra No. 143 Kha situated at Village - Mohabewala, Paragana - central Doon, Distt- Dehradun.(F) Personal Guarantee of Mr. Ashok Kumar Windlass, Mr. Hitesh Windlass and Mr. Manoj Kumar Windlass.

(iv) Loan from IndusInd Bank amounting to ₹ 10.5 millions (March 31, 2020: ₹ 18.25 millions, December 31, 2019: ₹ 19.63 millions, March 31, 2019: ₹ 25.89 millions, March 31, 2018: ₹ 32.93 millions) carrying interest rate of 1% above Bank Base rate, (Current IBL Base rate is 11.00%) minimum current applicable rate is 12.00% is outstanding as on December 31, 2020 and is repayable in equal monthly instalments. The loan is secured by (A) First pari passu charge on all Fixed assets of the company (both present and future) except the assets acquired out of finance from other financers. (B) Exclusive charge on P&M, Equipment's, building procured from term loan availed from IBL. (C) Second part pari passu charge on the entire current assets (both present and future) of the company. (D) pari passu charge by way of EQM on the company's factory land and building at KH. No. 166Ga, 168kha, 40/1,142-kha and 143- Ka,167-Gha,168 Gha, 172 Da, Mouza Chanderbani Khalsa, Mohabewala Industrial Area, Dehradun. (E) pari passu charge by way of EQM on the company's land at khasra No. 145 Ka and Khasra No. 143 Kha situated at Village - Mohabewala, Paragana - central Doon, Distt- Dehradun (F) Personal Guarantee of Mr. Ashok Kumar Windlass, Mr. Hitesh Windlass and Mr. Manoj Kumar Windlass.

(v) Vehicle loan from Banks and others (Numbering - 3 Accounts) amounting to ₹ 0.46 millions (March 31, 2020: ₹ 1.16 millions, December 31, 2019: ₹ 1.41 millions, March 31, 2019: ₹ 2.12 millions, March 31, 2018: ₹ 2.82 millions) is outstanding as on December 31, 2020. The loan is secured by hypothecation of vehicles. These vehicle loans carries an interest from 9% to 11% p.a.

(vi) Loan from HDFC Bank amounting to Nil (March 31, 2020: ₹ 27.28 millions, December 31, 2019: ₹ 37.51 millions, March 31, 2019: ₹ 68.19 millions, March 31, 2018: ₹ 109.12 millions) carrying interest rate of 9.75% is outstanding as on December 31, 2020 and there is no repayable instalments. The loan is secured by (A) Exclusive charge on assets purchased/constructed under the proposed facility. (B) First charged on Land and Building acquired from Innova Life Science. (C) Personal Guarantee of Mr. Ashok Kumar Windlas, Mr. Hitesh Windlas and Mr. Manoj Kumar Windlas.

(vii) Loan from HDFC Bank amounting to ₹ Nil (March 31, 2020: ₹ Nil, December 31, 2019: ₹ Nil, March 31, 2019: ₹ Nil, March 31, 2018: ₹ 14.19 millions) carrying interest rate of 9.85% is outstanding as on December 31, 2020 and there is no repayable instalment. The loan was secured by (A) Exclusive charge on assets purchased/constructed under the proposed facility. (B) First charge on Land and Building acquired from Innova Life Science. (C) Personal Guarantee of Mr. Ashok Kumar Windlas, Mr. Hitesh Windlas and Mr. Manoj Kumar Windlas.

(viii) Loan from SIDBI Bank amounting to ₹ 7.90 millions (March 31, 2020: ₹ 9.79 millions, December 31, 2019: ₹ 10.00 millions, March 31, 2019: ₹ 10.00 millions, March 31, 2018: Nil) carrying interest rate of 8.09% is outstanding as on December 31, 2020 and is repayable in 38 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 aquired out of the present assitance. (B) Extension of first charge by the way of Hypothecation of all movable assets including the movables, plant & machinery, spares, tools & accessories, ofice equipment, computers, furniture,already aquired 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.

(ix) Loan from SIDBI Bank amounting to ₹ 4.72 millions (March 31, 2020: ₹ 5.00 millions, December 31, 2019: ₹ Nil, March 31, 2019: ₹ Nil, March 31, 2018:₹ Nil) carrying interest rate of 5% (fixed) per annum,with monthly rest,on the principal amount of the loan outstanding as on December 31, 2020 and is repayable in 54 monthly instalments. The loan is secured by (A) Extension of first charge by the way of Hypothecation on Plant & Machinery / Misc. Fixed Assets, aquired 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.

In respect of subsidary company (till October 29, 2018):

(i) Loan from SIDBI Bank amounting to ₹ Nil (December 31, 2019: ₹ Nil; March 31, 2020: ₹ Nil; March 31, 2019: ₹ Nil; March 31, 2018: ₹ 3.12 millions) carrying interest rate of LIBOR+600BPS with monthly rest is outstanding as on December 31, 2020. The loan is secured by (A) First charge by the way of hypothecation of all the movable (Save and except book debts) including movable, Plant, Machinery, Spares, Tools and accessory, Office Equipment, Computers, Furniture and Fixture, both present and future etc. acquired / proposed to be acquired under the project / scheme and (B) First charge by way of mortgage of land together with building there on bearing khasra no. 183KHA, measuring 0.0456 hectare of 456.67 square mtrs & khasra no. 192K, measuring 0.0210 hectare or 210 square mtrs situated at village Chandrabani Khalsa Pargana Central Doon, Dist. Dehradun in the name of Shri. Ashok Kumar Windlas (C) First charge by way mortgage of land together with building there on bearing khasra no. 183 KH , measuring 0.0200 hectare of 200 square mtrs and khasra no. 192 K, measuring 0.4367 hectare of 4367 square mtrs situated at village Chandrabani Khalsa Pargana Central Doon, Dist. Dehradun in the name of Shri. Ashok Kumar Windlas Personal Guarantee of Mr. Ashok Kumar Windlass, (D) First charge by way mortgage of land together with building there on bearing old khasra no. 40/2 , new khasra no. 183 KH, measuring 653.43 square mtrs situated at village Chandrabani Khalsa Pargana Central Doon, Dist. Dehradun in the name of Shri. Ashok Kumar Windlas . (E) Personal Guarantee of Mr. Ashok Kumar Windlass Mr. Hitesh Windlass and Mr. Manoj Kumar Windlass.

(ii) Loan from SIDBI Bank amounting to ₹ Nil (December 31, 2019: ₹ Nil; March 31, 2020: ₹ Nil; March 31, 2019: ₹ Nil; March 31,2018: ₹ 65.16 millions) carrying interest rate of LIBOR+600BPS with monthly rest is outstanding as on December 31, 2020. The loan is secured by (A) First charge by the way of hypothecation of all the Borrower's existing and proposed movables (Save and except book debts) including Plant, Machinery, Spares, Tools and accessories, Office Equipment, Computers, Furniture and Fixture, both present and future etc. (B) Extention of First paripassu charge with Indusind Bank by the way of mortgage on the Immovable properties consisting of land together with building thereon bearing khasra no. 183KHA, admeasuring 200 sq. mtrs. and khasra no. 192 KA admeasuring 4367 sq. mtrs. (total area admeasuring 4567 sq. mtrs.) situated in village Chandravani Khalsa pargana central doon, Teh & Dst. Dehradun in the name of Shri. Ashok Kumar Windlas (C) Extention of First paripassu charge with Indusind Bank by the way of mortgage on the Immovable properties consisting of land together with building thereon bearing khasra no. 189KHA, admeasuring 456 sq. mtrs. and khasra no. 192 KA admeasuring 210 sq. mtrs. (total area admeasuring 667 sq. mtrs.) situated at mauza and village Chandrabani Khalsa pargana central doon, Teh & Dst. Dehradun in the name of Shri. Ashok Kumar Windlas (D) Extention of First paripassu charge with Indusind Bank by the way of mortgage on the Immovable properties consisting of land together with building thereon bearing khasra no. 40/2, New Khasra no. 189 KHA, admeasuring 635.43 sq. mtrs. situated at village Chandrabani Khalsa pargana central doon, Teh & Dst. Dehradun in the name of Shri. Ashok Kumar Windlas. (E) Extension of paripassu charge (with Indusind Bank) on leasehold rights of the borrower by way of mortgage on the immovable properties consisting of land together with building thereon bearing Khasra No. 183 KHA, admeasuring 200 sq. mtrs. and khasra no. 192 KA admeasuring 4367 sq. mtrs. (total area admeasuring 4567 sq. mtrs.) situated in village chandrabani khalsa, paragana central doon, teh & dist. Dehradun. (F) Extension of paripassu charge (with Indusind Bank) on leasehold rights of the borrower by way of mortgage on the immovable properties consisting of land together with building thereon bearing Khasra No. 189 KHA, admeasuring 456 sq. mtrs. and khasra no. 192 KHA admeasuring 210 sq. mtrs. (total area admeasuring 667 sq. mtrs.) situated at mauza and village chandrabani khalsa, paragana central doon, teh & dist. Dehradun. (G) Extension of paripassu charge (with Indusind Bank) on leasehold rights of the borrower by way of mortgage on the immovable properties consisting of land together with building thereon bearing Khasra No. 40/2 , new khasra no. 189 KHA admeasuring 653 sq. mtrs. situated at village chandrabani khalsa, paragana central doon, teh & dist. Dehradun. (H) Extension of First charge by way of equitable morgage on the immovable properties together with all building and structure thereupon situated at 53R, Rajpur Road, Dehradun admeasuring 14252 sq. ft. or 176 Bighas owned by Shri Ashok Kumar Windlas, Shri Sudhir Kumar Windlas and Shri Pradeep Kumar Windlas. Since the loan is repaid in full in FY19, as of now this charge does not exist. (I) First Charge by way of pledge of FDR of Rs 25 Lacs. (J) Personal Guarantee of Mr. Ashok Kumar Windlass, Mr. Hitesh Windlass and Mr. Manoj Kumar Windlass.

(iii) Loan from Tata Capital Limited amounting to ₹ Nil (December 31, 2019: ₹ Nil; March 31, 2020: ₹ Nil; March 31, 2019: ₹ Nil; March 31, 2018: ₹ 32.49 millions) carrying interest rate of 10.50% outstanding as on December 31, 2020. The loan is secured by (A) First charge by the way of tangible assets purchased/procurred during F.Y. 2015-16 and which arre being reimbursed/financed by TCFSL only. (B) Irrevocable and Unconditional Personal Gaurantees of Mr Ashok Kumar Windlass, Mr Hitesh Windlass & Mr Manoj Kumar Windlass.

B. As on the reporting date there is no default in repayment of loans and interest.

19 Lease liability

	Current					Non-current				
	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)
Lease liability	5.04	4.60	4.70	4.29	3.91	6.50	11.54	10.33	15.05	19.32
Total	**5.04**	**4.60**	**4.70**	**4.29**	**3.91**	**6.50**	**11.54**	**10.33**	**15.05**	**19.32**

(i) The carrying amounts of lease liabilities and the movements during the period/ year:

Particulars	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)
At the beginning of the period/ year	15.03	19.34	19.34	23.23	26.78
Accretion of interest	0.91	1.20	1.55	1.97	2.31
Payments	(4.40)	(4.40)	(5.86)	(5.86)	(5.86)
At the end of the period/ year	**11.54**	**16.14**	**15.03**	**19.34**	**23.23**

(ii) The following are the amounts recognised in profit or loss:

Particulars	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)
Depreciation expense of right-of-use assets	4.93	4.93	6.55	6.52	6.78
Interest expense on lease liabilities	0.91	1.20	1.55	1.97	2.31

(iii) The total amount of cash flows on account of lease liabilities for the period/ year has been disclosed in restated consolidated statement of cash flows.

20 Other financial liabilities

	Current					Non-current				
	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)
Current maturities of long-term debt	14.41	59.18	52.73	70.17	130.69	-	-	-	-	-
Interest payable	-	0.54	0.79	0.84	-	-	-	-	-	2.00
Capital creditors	5.86	9.29	9.40	22.06	60.03	-	-	-	-	-
Security Deposits	-	-	-	-	-	1.80	-	1.00	-	0.30
Employee Related Payables	54.23	49.61	41.02	24.50	32.52	-	-	-	-	-
Accrued Expenses	151.36	51.84	84.77	19.66	25.49	-	-	-		-
Total	**225.86**	**170.46**	**188.71**	**137.23**	**248.73**	**1.80**	**-**	**1.00**	**-**	**2.30**

21 Provisions

	Current					Non-current				
	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)
Provision for employee benefits						-				
Provision for compensated absences	3.64	3.64	3.15	2.59	2.83	15.36	8.00	11.94	10.57	14.61
Provision for gratuity	0.50	0.86	0.93	-	0.98	-	-	-	-	-
Other provisions										
Provision for income-tax	-	-	-	39.96	48.76	-	-	-	-	-
Total	**4.14**	**4.50**	**4.08**	**42.55**	**52.57**	**15.36**	**8.00**	**11.94**	**10.57**	**14.61**

22 Borrowings

	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)
Loans Repayable on Demand (Secured)					
Loan from banks	199.67	127.66	209.45	170.79	55.19
Bill discounting facility	-	-	-	-	183.86
Total	**199.67**	**127.66**	**209.45**	**170.79**	**239.05**

A. 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 Windlas, Mr. Hitesh Windlas and Mr. Manoj Kumar Windlas.

(ii) 'Bill Discounting Facility from Kotak Mahindra Bank\HDFC is secured by undated cheque drawn in favour of the bank.

23 Trade payable

	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)
(a) total outstanding dues of micro enterprises and small enterprises (refer note 38)	36.50	16.80	89.07	27.90	27.37
(b) total outstanding dues for creditors other than micro enterprises and small enterprises	701.61	854.18	742.29	551.44	818.80
Total	**738.11**	**870.98**	**831.36**	**579.34**	**846.17**

24 Other current liabilities

	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)
Advances from Customers	7.17	3.79	7.06	5.37	13.33
Payable to Statutory Authorities	8.00	12.08	7.53	6.38	10.92
Deferred Government Grant #	-	-	-	16.22	16.22
Total	**15.17**	**15.87**	**14.59**	**27.97**	**40.47**

The Company has received Nil (December 31, 2019: Nil, March 31, 2020: - Rs. 1.33 millions, March 31, 2019: Rs. Nil, March 31, 2018: - Rs. 6.02 millions) from Biotechnology Industry Research Assistance Council (BIRAC) for project "Clinical evaluation of formulations Based on NanoCrySP technology" which is patented as nanocrystal line solid dispersion (NSD) technology platform developed at National Institute of Pharmaceutical Education and Research (NIPER). The total government grant Rs. 16.22 millions has been reduced from the capitalised BIRAC Project during the period/ year under capital approach method.

The Company has received Nil (December 31, 2019: Nil, March 31, 2020: Nil, March 31, 2019: - Nil, March 31, 2018: - Rs. 6.02 millions) from Biotechnology Industry Research Assistance Council (BIRAC) for project "Enhancement of oral bioavailability of poorly water soluble drugs using NanoCrySP* technology which is patented as nanocrystal line solid dispersion (NSD) technology platform developed at National Institute of Pharmaceutical Education and Research (NIPER).

Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited)
CIN: U74899UR2001PLC033407
Annexure V- Notes to Restated Consolidated financial statements
(All amounts in Indian Rupees in millions, unless otherwise stated)

25 Revenue from operations	For the 9 month period ended December 31, 2020	For the 9 month period ended December 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019 (Proforma)	For the year ended March 31, 2018 (Proforma)
Revenue from contract with customers					
Sale of Products	3,074.61	2,459.73	3,175.45	2,844.28	3,161.42
Export Sales	107.26	84.57	106.88	182.25	210.73
Sale of services	17.63	1.10	1.97	26.07	143.55
Other Operating Revenues:					
Scrap Sales	1.11	0.29	0.55	2.15	0.51
Export Incentives	1.69	1.68	2.00	5.64	2.15
Other operating Income	5.63	1.31	1.67	12.28	5.33
Total	**3,207.93**	**2,548.68**	**3,288.52**	**3,072.67**	**3,523.69**

Timing of revenue recognition	For the 9 month period ended December 31, 2020	For the 9 month period ended December 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019 (Proforma)	For the year ended March 31, 2018 (Proforma)
Goods transferred at a point in time	3,181.87	2,544.30	3,282.33	3,026.53	3,372.15
Services transferred over the time	17.63	1.10	1.97	26.07	143.55
Total revenue from contract with customers	**3,199.50**	**2,545.40**	**3,284.30**	**3,052.60**	**3,515.70**

Revenue by location of customers	For the 9 month period ended December 31, 2020	For the 9 month period ended December 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019 (Proforma)	For the year ended March 31, 2018 (Proforma)
India	3,092.24	2,460.83	3,177.42	2,870.35	3,304.97
Outside India	107.26	84.57	106.88	182.25	210.73
Total revenue from contract with customers	**3,199.50**	**2,545.40**	**3,284.30**	**3,052.60**	**3,515.70**

Reconciliation of revenue recognised in statement of profit and loss with contracted price					
Revenue as per contracted price	3,199.50	2,545.40	3,284.30	3,052.60	3,515.70
Less: adjustment on account of price variation	-	-	-	-	-
Less: Turnover discount	-	-	-	-	-
	3,199.50	**2,545.40**	**3,284.30**	**3,052.60**	**3,515.70**

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 December 31, 2020, December 31, 2019, March 31, 2020, March 31, 2019 and March 31, 2018.

26 Other income	For the 9 month period ended December 31, 2020	For the 9 month period ended December 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019 (Proforma)	For the year ended March 31, 2018 (Proforma)
Interest Income on:					
- financial assets measured at amortised cost	1.22	1.10	1.48	1.33	1.20
- others	-	-	-	3.20	2.38
- fixed Deposit	14.18	6.68	9.31	3.95	1.57
Net Gain on foreign currency transactions and translation	0.15	-	-	-	3.78
Gain on Investments measured at FVTPL*	4.43	11.07	13.80	15.17	19.81
Miscellaneous income	0.07	0.23	0.28	1.69	0.27
Provision/Miscellaneous Balance Written back	2.87	-	-	16.87	12.96
Gain on sale of property, plant and equipment	0.09	-	-	0.37	0.10
Total	**23.01**	**19.08**	**24.87**	**42.58**	**42.07**

* Gain on investment at FVTPL includes actual gain on sale of investment of Rs. 59.63 millions, Rs.NIL, Rs.NIL, Rs. 5.06 millions and Rs.1.74 millions during the period / year ended December 31, 2020, December 31, 2019, March 31, 2020, March 31, 2019 (Proforma), and March 31, 2018 (Proforma), respectively.

27 Cost of material consumed	For the 9 month period ended December 31, 2020	For the 9 month period ended December 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019 (Proforma)	For the year ended March 31, 2018 (Proforma)
Raw material , Packing material and Consumables					
Inventories at the beginning of the period/ year	318.06	142.66	142.66	252.71	334.42
Add: Adjustment on merger	10.75	-	-	-	-
Add: Purchases	1,985.92	1,753.82	2,418.87	1,842.44	2,263.82
	2,314.73	**1,896.48**	**2,561.53**	**2,095.15**	**2,598.24**
Less: Inventories at the end of period/ year	340.45	218.36	318.06	142.66	252.71
Less: Inventories transferred on sale of subsidiary company [refer note 44(i)]	-	-	-	69.80	-
	1,974.28	**1,678.12**	**2,243.47**	**1,882.69**	**2,345.53**
Total	**1,974.28**	**1,678.12**	**2,243.47**	**1,882.69**	**2,345.53**
Opening Stock of Consumables	9.06	10.69	10.69	27.12	28.31
Add: Purchases of Consumables	81.43	55.05	75.70	26.05	104.59
Less: Closing Stock of Consumables	18.57	9.52	9.06	10.69	27.12
Total consumption of consumables	**71.92**	**56.22**	**77.33**	**42.48**	**105.78**
Material Consumed Comprises of:					
Raw Material/Chemical and Packing Material	1,902.36	1,621.90	2,166.14	1,840.21	2,239.75
Consumables	71.92	56.22	77.33	42.48	105.78
Total	**1,974.28**	**1,678.12**	**2,243.47**	**1,882.69**	**2,345.53**

Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited)
CIN: U74899UR2001PLC033407
Annexure V- Notes to Restated Consolidated financial statements
(All amounts in Indian Rupees in millions, unless otherwise stated)

28 Changes in inventories of Finished Goods and Work-in-progress	**For the 9 month period ended December 31, 2020**	**For the 9 month period ended December 31, 2019**	**For the year ended March 31, 2020**	**For the year ended March 31, 2019 (Proforma)**	**For the year ended March 31, 2018 (Proforma)**
Inventories at the beginning of the period/ year					
Finished Goods	134.13	33.24	33.24	58.46	24.37
Work in Progress	40.98	14.37	14.37	39.37	96.95
Add: Adjustment on merger		-			
Finished Goods	8.90	-	-	-	-
Work in Progress	2.49	-	-	-	-
Total (A)	**186.50**	**47.61**	**47.61**	**97.83**	**121.32**
Less: Inventories at the end of period/ year					
Finished Goods	59.24	52.43	134.13	33.24	58.46
Work in Progress	68.02	40.83	40.98	14.37	39.37
Less: Inventories transferred on sale of subsidiary company					-
Finished Goods	-	-	-	5.42	-
Work in Progress	-	-	-	8.26	-
Total(B)	**127.26**	**93.26**	**175.11**	**61.29**	**97.83**
Total (A-B)	**59.24**	**(45.65)**	**(127.50)**	**36.54**	**23.49**

29 Employee benefit expenses	**For the 9 month period ended December 31, 2020**	**For the 9 month period ended December 31, 2019**	**For the year ended March 31, 2020**	**For the year ended March 31, 2019 (Proforma)**	**For the year ended March 31, 2018 (Proforma)**
Salaries and wages	394.55	299.28	404.42	400.49	414.25
Gratuity expense (refer note 39)	2.98	2.11	3.48	2.85	4.36
Contribution to provident and other funds*	18.04	18.30	25.00	22.93	23.05
Staff welfare expenses	2.23	1.98	2.83	3.31	3.78
Total	**417.80**	**321.67**	**435.73**	**429.58**	**445.44**

*Provident Fund: Hon'ble Supreme Court pronounced a judgement in February, 2019 making clarification with respect to the definition of Wages for the purpose of Employees Provident Fund contribution. Further, petitions have been filed with the Hon'ble Supreme Court seeking additional clarifications. In light of the above, the Company has made payment for the same.

30 Finance cost	**For the 9 month period ended December 31, 2020**	**For the 9 month period ended December 31, 2019**	**For the year ended March 31, 2020**	**For the year ended March 31, 2019 (Proforma)**	**For the year ended March 31, 2018 (Proforma)**
Interest on					
-term loans and vehicle loans	2.13	6.67	8.04	20.86	32.48
-working capital loans	6.42	9.38	12.01	17.43	29.50
-lease liability	0.91	1.22	1.58	1.96	2.31
-Other borrowing cost	0.19	0.15	3.63	8.13	0.39
Total	**9.65**	**17.42**	**25.26**	**48.38**	**64.68**

31 Depreciation and amortisation expense	**For the 9 month period ended December 31, 2020**	**For the 9 month period ended December 31, 2019**	**For the year ended March 31, 2020**	**For the year ended March 31, 2019 (Proforma)**	**For the year ended March 31, 2018 (Proforma)**
Depreciation on property, plant and equipment (refer note 3)	87.04	59.33	83.57	95.40	158.67
Depreciation on right-of-use asset (refer note 5)	4.93	4.93	6.55	5.51	6.78
Amortisation of intangible assets [refer note 6(a)]	4.10	2.06	2.81	5.00	8.02
Total	**96.07**	**66.32**	**92.93**	**105.91**	**173.47**

Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited)
CIN: U74899UR2001PLC033407
Annexure V- Notes to Restated Consolidated financial statements
(All amounts in Indian Rupees in millions, unless otherwise stated)

32 Other expenses	For the 9 month period ended December 31, 2020	For the 9 month period ended December 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019 (Proforma)	For the year ended March 31, 2018 (Proforma)
Power & fuel	90.31	63.56	80.44	72.79	72.93
Repairs					
-Buildings	9.45	6.45	8.03	7.64	8.62
-Machinery	16.68	5.33	7.32	14.05	17.58
-Others	6.92	4.86	5.25	7.83	7.71
Insurance	4.66	3.52	3.62	3.32	3.45
Rates and Taxes	3.97	0.00	0.33	0.80	2.86
Security expenses	5.47	4.61	6.83	5.62	6.03
Traveling Expenses	2.32	10.03	13.51	12.84	13.17
Legal and Professional Fees	20.86	15.06	18.74	73.84	22.27
Payment to Auditors					
- Audit fees	-	1.35	1.80	2.26	1.55
Net Loss on foreign currency transactions and translation	0.05	0.58	0.29	5.35	-
Commission on sales	35.93	46.97	51.59	30.01	33.98
Freight and carriage	27.60	17.78	27.47	22.11	24.18
Advertisement and Publicity	15.05	7.17	8.87	1.06	3.43
Research & Development Expenses (refer note 34)	24.94	28.73	38.74	41.87	19.58
Corporate social responsibility expenses (refer note 36)	4.53	3.70	4.94	2.94	2.07
Donations	0.33	0.02	0.02	0.23	0.03
Lab Testing Expenses	5.63	9.04	11.24	4.17	19.08
Assets written off	14.00	-	0.01	-	4.92
Printing and Stationery	3.31	3.97	5.02	4.73	6.73
Recruitment Expenses	0.48	0.74	1.75	0.40	3.95
Balance Written Off	9.12	2.92	3.07	-	15.75
Loss on Sales of Property, Plant & Equipment	-	0.07	0.08	-	-
Rent*	0.25	0.38	0.46	1.99	1.92
Provision for doubtful debts	2.32	1.23	0.95	-	2.17
Bad debts written off	-	-	-	1.66	1.13
Calibration Expenses	0.90	0.91	1.37	3.81	3.26
Miscellaneous Expenses **	15.77	17.69	20.42	17.46	15.90
Total	**320.85**	**256.67**	**322.16**	**338.78**	**314.25**

* Rent expense related to short term leases.
** Includes Rs. 0.005 millions incurred as loss in transit during year ended March 31, 2018.
***Any expenses relating to DRHP filing including Audit Fee not provided for in 9 months period ending December 31,2020.

33 Exceptional items	For the 9 month period ended December 31, 2020	For the 9 month period ended December 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019 (Proforma)	For the year ended March 31, 2018 (Proforma)
Gain on losing control in subsidiary company [Refer Note 44(i)]	-	-	-	495.45	-
Impairment of Goodwill*	272.64	-	-	-	-
Gain on fair valuation of previously held equity interest on acquistion of control in Windlas Healthcare [Refer Note 44(ii)]	56.47	-	-	-	-
Total	**329.11**	**-**	**-**	**495.45**	**-**

*Goodwill of ₹272.64 millions was created on acquisition of Windlas Healthcare Pvt. Ltd. by the Company on April 16, 2020. It was tested for impairment on 31st December 2020. Post impairment testing, it was determined that the fair value of goodwill is less than the carrying amount. Consequently, the Company has recorded an impairment loss of the complete amount and hence the carrying amount of Goodwill has been reduced to NIL as on December 31, 2020.

34 Research and development expenses	For the 9 month period ended December 31, 2020	For the 9 month period ended December 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019 (Proforma)	For the year ended March 31, 2018 (Proforma)
Revenue expenditure					
Employee benefit expenses	16.20	13.73	18.72	15.93	17.63
Raw & Packing Materials Consumed	8.74	15.00	20.02	25.94	1.95
Total	**24.94**	**28.73**	**38.74**	**41.87**	**19.58**

35 Earnings per share	For the 9 month period ended December 31, 2020	For the 9 month period ended December 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019 (Proforma)	For the year ended March 31, 2018 (Proforma)
Profit for the period/ year attributable to shareholders (A)	99.36	157.50	162.13	638.25	111.98
Original number of equity shares	64,11,063	64,11,063	64,11,063	64,11,063	55,88,236
Impact of share split effected after December 31, 2020 (each share of face value Rs 10 split into two shares of face value of Rs 5 each)	64,11,063	64,11,063	64,11,063	64,11,063	55,88,236
Weighted Average number of Equity Shares original	1,28,22,126	1,28,22,126	1,28,22,126	1,28,22,126	1,11,76,472
Impact of share split effected after December 31, 2020 (each share of face value	1,28,22,126	1,28,22,126	1,28,22,126	1,28,22,126	1,11,76,472
Weighted Average number of Equity Shares post split	1,28,22,126	1,28,22,126	1,28,22,126	1,16,40,862	1,11,76,472
Impact of bonus issue effected after December 31, 2020 (allotment of 5,385,293 bonus shares at face value of Rs 5 each)	53,85,293	53,85,293	53,85,293	48,89,162	46,94,118
Weighted Average number of Equity Shares post split and bonus used as denominator in calculating Basic Earnings Per Share (B)	1,82,07,419	1,82,07,419	1,82,07,419	1,65,30,024	1,58,70,590
Impact of Weighted Average number of Non- Cumulative Compulsory Convertible Preference Shares	-	-	-	4,22,239	5,88,234
Weighted Average number of Equity Shares post split and bonus used as denominator in calculating Diluted Earnings Per Share (C)	1,82,07,419	1,82,07,419	1,82,07,419	1,69,52,263	1,64,58,824
Basic earnings per share (in Rs.) (A/B)*	5.46	8.65	8.90	38.61	7.06
Diluted earnings per share (in Rs.) (A/C)*	5.46	8.65	8.90	37.65	6.80

*Not annualised for December 31, 2020 and December 31, 2019
Earning per share both (basic & diluted)has been restated for all the periods/years on account of split and bonus issue. Refer Annexure VI-Subsequent event

36 Corporate social responsibility expenses	For the 9 month period ended December 31, 2020	For the 9 month period ended December 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019 (Proforma)	For the year ended March 31, 2018 (Proforma)
a) Gross amount required to be spent by the Company during the year/period	4.53	3.70	4.94	2.94	2.07
b) Gross amount provided for CSR activities	4.53	3.70	4.94	2.94	2.07
c) Amount spent during the period/ year					
-Eradicating Hunger, Poverty & Malnutrition, Promoting preventive health care, and sanitation and making available safe drinking water*	4.53	3.70	4.11	3.01	2.30
Total amount spent during the period/ year	**4.53**	**3.70**	**4.11**	**3.01**	**2.30**

* Amount of Rs. 0.83 millions pertaining to year ended March 31, 2020 was spent subsequent to year end in May 2020 on promoting preventive healthcare.

37 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 diifferential 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.

38 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 December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)
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	36.50	16.80	89.07	27.90	27.37
- 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	-	-	-	-	-

39 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 Rs. 18.04 millions (December 31, 2019: Rs. 18.30 millions, March 31, 2020: Rs. 25.00 millions, March 31, 2019: Rs. 22.93 millions, March 31, 2018: Rs. 23.05 millions).

(ii) Defined Benefit Plan - Gratuity

a. The principal actuarial assumptions used for determining liability for gratuity are as follows:

	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)
Economic assumptions:					
Discount rate	5.81% Subsidiary - 5.16%	6.75%	6.41%	7.30%	7.69%
Expected rate of return on plan asset	6.41% Subsidiaarv - 6.30%	7.30%	7.30%	7.69%	7% Subsidiarv - 8%
Salary escalation rate	4.50% for first year, 5.00% for second year & 5.25% thereafter Susidiary - 6.00% for all years	5.00% for first year, 4.50% for second year, 5.00% for third year & 5.25% thereafter	4.50% for first year, 5.00% for second year & 5.25% thereafter	5.00% for first year, 4.50% for second year, 5.00% for third year & 5.25% thereafter	5.00% for first two years, 4.50% for third year & 5.00% thereafter For Subsidiary - 4.75% for first year, 5.00% for second year, 5.25% for third year.5.50% for forth year. 6.75% for fifth year & 7%
Demographic assumptions:					
Retirement age	58 years	58 years	58 years	58 years	58 years
Mortality rate	100% of IALM (2012-14)	100% of IALM (2006-08)	100% of IALM (2006-08)	100% of IALM (2006-08)	100% of IALM (2006-08)
Withdrawal rate	11% to 12% Subsidiary - 25%	11% to 12%	11% to 12%	11% to 12%	11% to 11.25% For Subsidiary - 9% to 12%

Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited)
CIN: U74899UR2001PLC033407
Annexure V- Notes to Restated Consolidated financial statements
(All amounts in Indian Rupees in millions, unless otherwise stated)

		As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)
I	**Change in present value of defined benefit during the year**					
1	Present value of defined benefit at the beginning of the year	31.78	19.44	19.44	15.99	17.91
2	Service Cost	3.61	2.15	3.52	2.78	4.44
3	Interest Cost	1.52	1.06	1.42	1.23	1.25
4	Net Actuarial (Gain)/Loss					
	Actuarial changes arising from changes in demographic assumptions	1.01	0.63	1.12	0.53	0.02
	Actuarial changes arising from changes in Financial assumptions	-	-	(0.01)	0.08	(0.04)
	Actuarial changes arising from changes in experience assumptions	(1.54)	1.32	1.76	0.63	(0.06)
5	Benefits Paid	(4.63)	(2.36)	(2.66)	(1.80)	(1.14)
6	Present Value of obligation as at year-end	31.75	22.23	24.58	19.44	22.38
II	**Change in Fair Value of Plan Assets during the year**					
1	Plan assets at the beginning of the year	33.15	20.02	20.02	15.02	19.13
2	Expected return on plan assets	1.59	1.10	1.46	1.15	1.33
3	Actuarial Gain/(Loss) on plan assets	(0.13)	(0.13)	(0.17)	(0.16)	(0.07)
4	Employer's contribution	1.27	2.75	5.00	5.81	4.47
5	Benefits paid	(4.63)	(2.36)	(2.66)	(1.80)	(1.14)
6	Plan assets at the end of the year	31.25	21.38	23.65	20.02	23.72
III	**Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets**					
1	Present Value of obligation as at year-end	31.75	22.23	24.58	19.44	22.38
2	Fair value of plan assets at year -end	31.25	21.38	23.65	20.02	23.72
3	Funded status {Surplus/(Deficit)}	(0.50)	(0.86)	(0.93)	0.59	1.34
4	Net Asset/(Liability)	(0.50)	(0.86)	(0.93)	-	0.98
IV	**Expenses recognised in the Statement of Profit and Loss**					
1	Current Service Cost	3.61	2.15	3.52	2.78	4.44
2	Net Interest Cost	(0.63)	(0.04)	(0.04)	0.08	(0.08)
3	Total Expense	2.98	2.11	3.48	2.86	4.36
V	**Other Comprehensive Income**					
1	Acturial gain(Loss) on Liablities	(1.62)	(1.95)	(2.87)	(1.24)	0.08
2	Acturial gain(Loss) on Assets	(0.13)	(0.13)	(0.18)	(0.15)	(0.07)
3	Closing Amount recognised in OCI outside PL Account	(1.75)	(2.08)	(3.05)	(1.39)	0.01
VI	**Bifurcation of PBO at the end of the year / period**					
1	Current Liability	6.48	3.47	4.69	3.85	3.38
2	Non-Current Liability	25.27	18.76	19.89	15.58	19.00

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.

IX The sensitivity analysis of the defined benefit obligation based on changes in significant assumptions is provided in following table:

	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)
A. Impact of change in discount rate-					
Present value of obligation at the end of the year	31.75	22.23	24.58	19.44	22.38
Impact due to increase of 0.50%	(0.77)	(0.57)	(0.63)	(0.48)	(0.61)
Impact due to decrease of 0.50%	0.81	0.60	0.66	0.50	0.65
B. Impact of change in future salary-					
Present value of obligation at the end of the year	31.75	22.23	24.58	19.44	22.38
Impact due to increase of 1.00%	1.65	1.16	1.31	1.04	1.35
Impact due to decrease of 1.00%	(1.51)	(1.07)	(1.20)	(0.96)	(1.23)
C. Impact of change in withdrawal rate-					
Present value of obligation at the end of the year	31.75	22.23	24.58	19.44	22.38
Impact due to increase of 5.00%	(0.51)	0.22	(0.04)	0.21	0.04
Impact due to decrease of 5.00%	0.46	(0.53)	(0.21)	(0.53)	(0.48)
X Expected benefit payments					
Year 1	6.64	3.54	4.83	3.98	3.42
Year 2	3.16	2.31	2.23	1.89	3.61
Year 3	3.37	2.36	2.57	1.95	2.28
Year 4	3.45	2.35	2.43	2.10	2.33
Year 5	3.07	2.46	2.51	1.95	2.33
After 5th year	25.05	21.43	22.55	18.97	24.41

Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited)
CIN: U74899UR2001PLC033407
Annexure V- Notes to Restated Consolidated financial statements
(All amounts in Indian Rupees in millions, unless otherwise stated)

40 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 Healthcare Private Limited (till October 29, 2018) (w.e.f. April 16, 2020 till April 30, 2020)
		Windlas Inc. (till October 29, 2018) (w.e.f. April 16, 2020)
(ii)	Joint Venture	USpharma Windlas LLC (till October 29, 2018) (w.e.f. April 16, 2020)
(iii)	Associate	Windlas Healthcare Private Limited (w.e.f. October 30, 2018 till April 16, 2020)

b) Key managerial personnel:

S.No.	Relationship	Name
(i)	Chairman & Whole Time Director	Mr. Ashok Kumar Windlass
(ii)	Managing Director	Mr. Hitesh Windlass
(iii)	Joint Managing Director	Mr. Manoj Kumar Windlass
(iv)	Non Executive Director	Mr. Hetal Gandhi
(v)	Director (w.e.f. 17.04.2020)	Mr Ashish Jain
(vi)	Director (w.e.f. 17.04.2020)	Mr Chander Prakash
(vii)	Director (w.e.f. 17.04.2020)	Mr Ashok Sharma
(viii)	Company Secretory	Mr Anjan Kumar

c) Companies with Interest by Key Managerial Personnel:

S.No.	Relationship	Name
(i)	Interest by Key Managerial Personnel	Him Mec Tec Private Limited
(ii)	Interest by Key Managerial Personnel	Wintech Eco Solutions Private Limited

d) Transactions with related parties are as follows:

S.No.	Nature of transaction	Year ended/Period ended	Subsidiary*	Associate	Key Managerial Personnel	Companies with Interest by Key Managerial Personnel	Total
(i)	Rent	December 31, 2020*	-	-	4.40	-	4.40
		December 31, 2019	-	-	4.40	-	4.40
		March 31, 2020	-	-	5.87	-	5.87
		March 31, 2019	-	-	6.33	-	6.33
		March 31, 2018	-	-	6.08	-	6.08
(ii)	Salary, allowances and bonus	December 31, 2020*	-	-	24.29	-	24.29
		December 31, 2019	-	-	18.36	-	18.36
		March 31, 2020	-	-	24.48	-	24.48
		March 31, 2019	-	-	31.06	-	31.06
		March 31, 2018	-	-	32.83	-	32.83
(iii)	Purchase of goods/job Work Charges	December 31, 2020*	-	-	-	-	-
		December 31, 2019	-	-	-	-	-
		March 31, 2020	-	-	-	-	-
		March 31, 2019	-	2.88	-	6.22	9.10
		March 31, 2018	2.97	-	-	1.61	4.58
(iv)	Sale of goods	December 31, 2020*	-	-	-	-	-
		December 31, 2019	-	-	-	-	-
		March 31, 2020	-	-	-	-	-
		March 31, 2019	-	10.14	-	-	10.14
		March 31, 2018	0.73	-	-	-	0.73
(v)	Borrowings	December 31, 2020*	1,020.00	-	-	-	1,020.00
		December 31, 2019	-	-	-	-	-
		March 31, 2020	-	-	-	-	-
		March 31, 2019	-	120.00	-	-	120.00
		March 31, 2018	135.03	-	-	-	135.03
(vi)	Borrowings Repayment	December 31, 2020*	15.00	-	-	-	15.00
		December 31, 2019	-	-	-	-	-
		March 31, 2020	-	-	-	-	-
		March 31, 2019	-	120.00	-	-	120.00
		March 31, 2018	-	-	-	-	-
(vii)	Interest Expense	December 31, 2020*	68.24	-	-	-	68.24
		December 31, 2019	-	-	-	-	-
		March 31, 2020	-	-	-	-	-
		March 31, 2019	-	2.91	-	-	2.91
		March 31, 2018	-	-	-	-	-
(viii)	Conversion of loan & trade receivable into optionally convertible preference shares	December 31, 2020*	-	-	-	-	-
		December 31, 2019	-	-	-	-	-
		March 31, 2020	-	-	-	-	-
		March 31, 2019	-	-	-	-	-
		March 31, 2018	135.03	-	-	-	135.03
(ix)	Purchase of Land	December 31, 2020*	-	-	-	-	-
		December 31, 2019	-	-	-	-	-
		March 31, 2020	-	-	-	-	-
		March 31, 2019**	-	100.00	-	-	100.00
		March 31, 2018	-	-	-	-	-

*Includes transactions for Windlas Healthcare Private Limited from April 16, 2020 till April 30, 2020.

**Transaction between Windlas Healthcare Private Limited (WHPL) and Mr. Ashok Kumar Windlass in November 2018 when WHPL was an asscoiate.

Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited)
CIN: U74899UR2001PLC033407
Annexure V- Notes to Restated Consolidated financial statements
(All amounts in Indian Rupees in millions, unless otherwise stated)

e) Balances outstanding are as follows:

S.No.	Nature of transaction	Period end/ Year end	Subsidiary	Associate	Key Managerial Personnel	Companies with Interest by Key Managerial Personnel	Total
(i)	Investment in equity share capital	December 31, 2020	-	-	-	-	-
		December 31, 2019	-	973.03	-	-	973.03
		March 31, 2020	-	940.01	-	-	940.01
		March 31, 2019	-	1,014.51	-	-	1,014.51
		March 31, 2018	101.84	-	-	-	101.84
(ii)	Security deposit	December 31, 2020	-	-	20.00	-	20.00
		December 31, 2019	-	-	20.00	-	20.00
		March 31, 2020	-	-	20.00	-	20.00
		March 31, 2019	-	-	20.00	-	20.00
		March 31, 2018	-	-	20.00	-	20.00
(iii)	Salary, allowances and bonus	December 31, 2020	-	-	2.77	-	2.77
		December 31, 2019	-	-	2.04	-	2.04
		March 31, 2020	-	-	2.04	-	2.04
		March 31, 2019	-	-	2.03	-	2.03
		March 31, 2018	-	-	2.74	-	2.74
(iv)	Conversion of loan & trade receivable into optionally convertible preference shares	December 31, 2020	-	-	-	-	-
		December 31, 2019	-	-	-	-	-
		March 31, 2020	-	-	-	-	-
		March 31, 2019	-	-	-	-	-
		March 31, 2018	945.03	-	-	-	945.03
(v)	Rent Payable	December 31, 2020	-	-	0.49	-	0.49
		December 31, 2019	-	-	0.49	-	0.49
		March 31, 2020	-	-	0.49	-	0.49
		March 31, 2019	-	-	-	-	-
		March 31, 2018	-	-	-	-	-
(vi)	Trade Payable	December 31, 2020	-	-	-	-	-
		December 31, 2019	-	-	-	-	-
		March 31, 2020	-	-	-	-	-
		March 31, 2019	-	-	-	0.75	0.75
		March 31, 2018	-	-	-	0.52	0.52
(vii)	Trade receivable	December 31, 2020	-	-	-	-	-
		December 31, 2019	-	-	-	-	-
		March 31, 2020	-	-	-	-	-
		March 31, 2019	-	-	-	-	-
		March 31, 2018	0.39	-	-	-	0.39

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.

40A 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 agreegate amount of short term lease payment recognised in the statement of Profit and Loss account is December 31, 2020: ₹0.25 millions, March 31, 2020: ₹ 0.46 millions, December 31, 2019: ₹ 0.38 millions, March 31, 2019: ₹ 1.99 millions, March 31, 2018: ₹ 1.92 millions.

41 Fair Value Measurement

A. Financial instruments by category

	For the 9 month period ended December 31, 2020			December 31, 2019			For the year ended March 31, 2020			March 31, 2019 (Proforma)			March 31, 2018 (Proforma)		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets															
(a) Investment	230.11	-	-	220.05	-	973.03	222.80	-	940.01	209.00	-	1,014.51	223.84	-	1.88
(b) Cash and cash equivalents	-	-	28.70	-	-	30.92	-	-	180.78	-	-	128.55	-	-	71.95
(c) Loans	-	-	28.89	-	-	21.99	-	-	22.44	-	-	21.06	-	-	24.99
(d) Other financial assets	-	-	1,223.05	-	-	920.84	-	-	643.39	-	-	621.67	-	-	671.09
Total	**230.11**	**-**	**1,280.64**	**220.05**	**-**	**1,946.78**	**222.80**	**-**	**1,786.62**	**209.00**	**-**	**1,785.79**	**223.84**	**-**	**769.91**
Financial liabilities															
(a) Borrowings	-	-	208.46	-	-	145.71	-	-	221.58	-	-	228.95	-	-	420.41
(b) Lease liability	-	-	11.54	-	-	16.13	-	-	15.03	-	-	19.34	-	-	23.23
(c) Trade payables	-	-	738.11	-	-	870.98	-	-	831.36	-	-	579.34	-	-	846.17
(d) Other financial liabilities	-	-	227.66	-	-	170.46	-	-	189.71	-	-	137.23	-	-	251.03
Total	**-**	**-**	**1,185.77**	**-**	**-**	**1,203.28**	**-**	**-**	**1,257.68**	**-**	**-**	**964.86**	**-**	**-**	**1,540.84**

B. Fair Value Hierarchy

Assets and liabilities measured at amortised cost for which fair value are disclosed as at December 31, 2020	For the 9 month period ended December 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets				
(a) Investment	230.11		-	230.11
(b) Cash and cash equivalents	-	-	28.70	28.70
(c) Loans	-	-	28.89	28.89
(d) Other financial assets	-	-	1,223.05	1,223.05
Total	**230.11**	**-**	**1,280.64**	**1,510.75**
Financial liabilities				
(a) Borrowings	-	-	208.46	208.46
(b) Lease liability	-	-	11.54	11.54
(c) Trade payables	-	-	738.11	738.11
(d) Other financial liabilities	-	-	227.66	227.66
Total	**-**	**-**	**1,185.77**	**1,185.77**

Assets and liabilities measured at amortised cost for which fair value are disclosed as at December 31, 2019	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets				
(a) Investment	220.05	-	973.03	1,193.08
(b) Cash and cash equivalents	-	-	30.92	30.92
(c) Loans	-	-	21.99	21.99
(d) Other financial assets	-	-	920.84	920.84
Total	**220.05**	**-**	**1,946.78**	**2,166.83**
Financial liabilities				
(a) Borrowings	-	-	145.71	145.71
(b) Lease liability	-	-	16.13	16.13
(c) Trade payables	-	-	870.98	870.98
(d) Other financial liabilities			170.46	170.46
Total	**-**	**-**	**1,203.28**	**1,203.28**

Assets and liabilities measured at amortised cost for which fair value are disclosed as at March 31, 2020	For the year ended March 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets				
(a) Investment	222.80	-	940.01	1,162.81
(b) Cash and cash equivalents	-	-	180.78	180.78
(c) Loans	-	-	22.44	22.44
(d) Other financial assets	-	-	643.39	643.39
Total	**222.80**	**-**	**1,786.62**	**2,009.42**
Financial liabilities				
(a) Borrowings	-	-	221.58	221.58
(b) Lease liability	-	-	15.03	15.03
(c) Trade payables	-	-	831.36	831.36
(d) Other financial liabilities			189.71	189.71
Total	**-**	**-**	**1,257.68**	**1,257.68**

Assets and liabilities measured at amortised cost for which fair value are disclosed as at March 31, 2019	March 31, 2019 (Proforma)			
	Level 1	Level 2	Level 3	Total
Financial assets				
(a) Investment	209.00	-	1,014.51	1,223.51
(b) Cash and cash equivalents	-	-	128.55	128.55
(c) Loans	-	-	21.06	21.06
(d) Other financial assets	-	-	621.67	621.67
Total	**209.00**	**-**	**1,785.79**	**1,994.79**
Financial liabilities				
(a) Borrowings	-	-	228.95	228.95
(b) Lease liability	-	-	19.34	19.34
(c) Trade payables	-	-	579.34	579.34
(d) Other financial liabilities	-	-	137.23	137.23
Total	**-**	**-**	**964.86**	**964.86**

Assets and liabilities measured at amortised cost for which fair value are disclosed as at March 31, 2018	March 31, 2018 (Proforma)			
	Level 1	Level 2	Level 3	Total
Financial assets				
(a) Investment	223.84	-	1.88	225.72
(b) Cash and cash equivalents	-	-	71.95	71.95
(c) Loans	-	-	24.99	24.99
(d) Other financial assets	-	-	671.09	671.09
Total	**223.84**	**-**	**769.91**	**993.75**
Financial liabilities				
(a) Borrowings	-	-	420.41	420.41
(b) Lease liability	-	-	23.23	23.23
(c) Trade payables	-	-	846.17	846.17
(d) Other financial liabilities	-	-	251.03	251.03
Total	**-**	**-**	**1,540.84**	**1,540.84**

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 qouted prices. This includes listed equity instruments, traded bonds and mutual funds that have qouted prices. The fair value of all equity instruments (includeing 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. Accountine 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				
	December 31, 2020	December 31, 2019	For the year ended March 31,	March 31, 2019 (Proforma)	March 31, 2018 (Proforma)	December 31, 2020	December 31, 2019	For the year ended March 31,	March 31, 2019 (Proforma)	March 31, 2018 (Proforma)
Financial assets										
(a) Investment	230.11	1,193.08	1,162.81	1,223.51	225.72	230.11	1,193.08	1,162.81	1,223.51	225.72
(b) Cash and cash equivalents	28.70	30.92	180.78	128.55	71.95	28.70	30.92	180.78	128.55	71.95
(c) Loans	28.89	21.99	22.44	21.06	24.99	28.89	21.99	22.44	21.06	24.99
(d) Other financial assets	1,223.05	920.84	643.39	621.67	671.09	1,223.05	920.84	643.39	621.67	671.09
Total	**1,510.75**	**2,166.83**	**2,009.42**	**1,994.79**	**993.75**	**1,510.75**	**2,166.83**	**2,009.42**	**1,994.79**	**993.75**
Financial liabilities										
(a) Borrowings	208.46	145.71	221.58	228.95	420.41	208.46	145.71	221.58	228.95	420.41
(b) Lease liability	11.54	16.13	15.03	19.34	23.23	11.54	16.13	15.03	19.34	23.23
(c) Trade payables	738.11	870.98	831.36	579.34	846.17	738.11	870.98	831.36	579.34	846.17
(d) Other financial liabilities	227.66	170.46	189.71	137.23	251.03	227.66	170.46	189.71	137.23	251.03
Total	**1,185.77**	**1,203.28**	**1,257.68**	**964.86**	**1,540.84**	**1,185.77**	**1,203.28**	**1,257.68**	**964.86**	**1,540.84**

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 fianancial 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.

42 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 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 December 31, 2020, December 31, 2019, March 31, 2020, March 31, 2019 and March 31, 2018.

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 Rs. in millions is as follows:

Particulars	For the 9 month period ended December 31, 2020	For the 9 month period ended December 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019 (Proforma)	For the year ended March 31, 2018 (Proforma)
Financial liabilities					
Term loan					
USD	10.50	3.30	18.26	39.62	155.70
EEFC Account					
USD	7.07	11.51	0.00	0.90	12.96
Import Creditors (Net)					
EURO	13.54	13.60	18.03	0.00	0.03
USD	7.64	0.83	0.98	0.99	2.66
Advance to Creditor					
EURO	-	-	-	0.79	1.32
USD	19.74	0.32	-	0.41	1.29
Advance from customer					
USD	-	-	-	-	1.37
Total	**58.49**	**29.56**	**37.27**	**42.71**	**175.33**
Financial assets					
Export Debtors					
USD	20.49	10.05	(2.57)	18.74	69.04
Total	**20.49**	**10.05**	**(2.57)**	**18.74**	**69.04**

(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				
	December 31, 2020	December 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019 (Proforma)	For the year ended March 31, 2018 (Proforma)
USD sensitivity					
INR/USD- increase by 5%	(1.22)	(0.30)	(0.83)	(1.16)	(7.62)
INR/USD- decrease by 5%	1.22	0.30	0.83	1.16	7.62
EURO sensitivity					
INR/EURO- increase by 5%	(0.68)	(0.68)	(0.90)	(0.04)	(0.07)
INR/EURO- decrease by 5%	0.68	0.68	0.90	0.04	0.07

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.

Interest rate sensitivity
If the interest rates applicable to floating rate instruments is increased/decreased by 0.50%, the profit / (loss) before tax for the period / year ended for December 31, 2020, December 31, 2019, March 31, 2020, March 31, 2019 and March 31, 2018 would (decrease) / increase by Rs. 0.01 millions, Rs. 0.04 millions, Rs. 0.05 millions, Rs.0.09 millions and Rs. 0.12 millions respectively. This assumes that the amount is mix of fixed and floating rate debt that remains unchanged during the entire year, since March 31, 2020 and further, the change in interest rates is effective from the beginning of the year.

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 Group	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 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:

	December 31, 2020	December 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Neither past due nor impaired	541.63	419.06	238.53	273.99	429.60
Past due but not impaired					
-upto 90 days	382.75	288.16	346.45	227.13	187.66
-90-180 days	21.27	20.46	45.02	83.85	31.72
-More than 180 days	3.51	37.98	15.58	37.63	25.95
	949.16	765.66	645.58	622.60	674.93
Less: Allowance for expected credit losses	(8.52)	(6.48)	(6.20)	(5.25)	(9.02)
Total	**940.64**	**759.18**	**639.38**	**617.35**	**665.91**

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 December 31, 2020, December 31, 2019, March 31, 2020, March 31, 2019 and March 31, 2018 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 December 31, 2020				
Borrowings	214.08	8.79	-	**222.87**
Trade and other payables	738.11	-	-	**738.11**
Lease liabilities	5.04	6.50	-	**11.54**
Other financial liabilities	211.45	1.80	-	**213.25**
Total Non-derivative liabilities	**1,168.68**	**17.09**	-	**1,185.77**
As on December 31, 2019				
Borrowings	186.84	18.04	-	**204.88**
Trade and other payables	870.98	-	-	**870.98**
Lease liabilities	4.60	11.54	-	**16.14**
Other financial liabilities	111.28	-	-	**111.28**
Total Non-derivative liabilities	**1,173.70**	**29.58**	-	**1,203.28**
As on March 31, 2020				
Borrowings	262.18	12.13	-	**274.31**
Trade and other payables	831.36	-	-	**831.36**
Lease liabilities	4.70	10.33	-	**15.03**
Other financial liabilities	135.98	1.00	-	**136.98**
Total Non-derivative liabilities	**1,234.22**	**23.46**	-	**1,257.68**
As on March 31, 2019				
Borrowings	240.96	58.16	-	**299.12**
Trade and other payables	579.34	-	-	**579.34**
Lease liabilities	4.29	15.05	-	**19.34**
Other financial liabilities	67.06	-	-	**67.06**
Total Non-derivative liabilities	**891.65**	**73.21**	-	**964.86**
As on March 31, 2018				
Borrowings	369.74	181.36	-	**551.10**
Trade and other payables	846.17	-	-	**846.17**
Lease liabilities	3.91	19.32	-	**23.23**
Other financial liabilities	118.04	2.30	-	**120.34**
Total Non-derivative liabilities	**1,337.86**	**202.98**	-	**1,540.84**

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 plus net debt. The Company includes within net debt the loans and borrowing less cash and cash equivalents. Capital includes equity attributable to the owners of the Company.

	December 31, 2020	December 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Borrowings (long-term and short term, including current maturities)- Note No. 18 & 22	222.86	204.89	274.31	299.11	551.10
Less : Cash and cash equivalents- Note No. 15	306.82	190.86	183.84	131.96	76.65
Net Debt (a)	**(83.94)**	**14.03**	**90.47**	**167.15**	**474.45**
Equity- Note No. 16	64.11	64.11	64.11	64.11	85.29
Other equity- Note No. 17	1,865.74	2,029.62	2,032.48	1,871.74	1,162.24
Total Equity (b)	**1,929.85**	**2,093.73**	**2,096.59**	**1,935.85**	**1,247.53**
Capital and net debt (c=a+b)	**1,845.91**	**2,107.76**	**2,187.06**	**2,103.00**	**1,721.98**
Net debt to equity ratio (c=a/b)	**-4.35%**	**0.67%**	**4.32%**	**8.63%**	**38.03%**

43 First-time adoption of Ind AS

The Restated Ind AS Summary Statements for the year ended March 31, 2018 and March 31, 2019 have been prepared on Proforma basis in accordance with requirements of SEBI Circular dated March 31, 2016 and Guidance Note on Reports in Company Prospectuses issued by ICAI. For the purpose of Proforma Restated Ind AS Summary Statements for the year ended March 31, 2018 and March 31, 2019, the Group has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on the transition date i.e. April 1, 2019. In preparing these proforma financial statements, the Group has prepared opening Balance Sheet as at April 1, 2017, being Proforma date of transition to Ind AS.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

I. Ind AS optional exemptions:

a) Deemed cost of property, plant and equipment and intangible assets

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38. Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their Previous GAAP carrying value.

b) Leases

Ind AS 116 requires an entity to assess whether a contract or arrangement contains a lease. According to Ind AS 116, this assessment should be carried out at the inception of the contract or arrangement. However, the Group has used Ind AS 101 exemption and assessed all arrangements based on conditions in place as on the date of transition.

c) Business combination exemption

As per Ind AS 101, at the date of transition, an entity may elect not to restate business combinations that occurred before the date of transition i.e. April 1, 2019. If the entity restates any business combinations that occurred before the date of transition, then it restates all later business combinations, and also apply Ind AS 110, Consolidated Financial Statements, from that same date. The Group has opted to apply Ind AS 103 prospectively to business combination occurring after the transition date. Business combination occurring prior to the transition date have not been restated.

Further, in accordance with Guidance Note on Reports in Company Prosepectus (Revised 2019), the Group has adopted the same accounting policy choice for preparing the restated Proforma Ind AS financial statements as adopted intially at the transition date. Accordingly, business combination that have occured between April 1, 2017 and March 31, 2019 have not been restated as per Ind AS 103 Business Combination.

d) Investment in subsidiaries and associates

As permitted by Ind AS 101, for measuring investment in subsidiaries and associates, the Group has considered their previous GAAP carrying amount as their deemed cost as at 1 April 2019. For the purpose of Proforma Ind AS financial information, the Group has used carrying amount as per previous GAAP as at March 31, 2019, 2018 and 2017 to be the value of Investments for such respective years. Further Joint Venture USpharma Windlas LLC was consolidated through proportionate method under IGAAP which is now changed to equity method under INDAS.

II. Ind AS mandatory exceptions:

a) Accounting estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2019 are consistent with the estimates as at the same date made in conformity with Previous GAAP.

b) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de- recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

c) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

B. Reconciliation between previously reported Indian GAAP (IGAAP) and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from erstwhile Indian GAAP and Ind AS:

(a) Reconciliation of equity as at April 1, 2017(transition date), March 31, 2018 (proforma), March 31, 2019 (proforma) and as at March 31, 2020
(b) Reconciliation of total comprehensive income for the year ended March 31, 2018, March 31, 2019 and March 31, 2020
(c) Impact of adoption of Ind AS on statement of cash flows for the year ended March 31, 2018, March 31, 2019 and March 31, 2020

Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited)
CIN: U74899UR2001PLC033407
Annexure V- Notes to Restated Consolidated financial statements
(All amounts in Indian Rupees in millions, unless otherwise stated)

(a) Reconciliation of total equity as at March 31, 2020, March 31, 2019 (Proforma), March 31, 2018 (Proforma) between previous GAAP and Ind AS

Particulars		Notes to first-time adoption	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)	As at April 1, 2017 (Proforma)
Total equity (shareholder's funds) as per previous GAAP	**(A)**		2,047.75	1,897.82	1,235.05	1,117.55
Adjustments:						
Impact of Prior period item restatement pertaining to depreciation			-	-	-	2.06
Impact of earlier year tax adjustments			-	3.30	(2.39)	0.96
Impact of Proforma Ind AS adjustment			-	-	-	-
Gain on Fair valuation of Mutual funds at fair value		(i)	59.91	46.10	35.99	33.63
Impact of Interest income on Fair valuation of Security deposit		(ii)	7.77	6.29	4.96	3.76
Impact of recognition of expected credit loss		(iii)	(6.20)	(5.25)	(6.71)	(6.85)
Impact of amortisation on prepaid rent component of Security deposit		(ii)	(7.97)	(5.35)	(5.35)	(5.35)
Amortisation of processing cost- Windlas Healthcare Private Limited			0.59	0.59	0.59	1.61
Interest expense on Lease liability		(v)	(1.58)	(4.26)	(2.31)	-
Amortisation expense of Right-of-use asset		(v)	(6.38)	(12.30)	(6.79)	-
Rent expense charged		(v)	5.86	11.73	5.86	-
Reversal of Amortisation of Leasehold land and Building Lease		(v)	0.50	1.10	0.56	-
Deferred tax on above adjustments (except amortisation of processing cost- Windlas Healthcare Private Limited)		(vii)	(13.10)	(13.36)	(9.08)	(8.72)
Impact of share in loss of associate -Windlas Healthcare Private Limited			9.44	9.44	-	-
Total Ind AS adjustments	**(B)**		48.84	38.03	15.33	21.10
Total equity (shareholder's funds) as per Ind AS	**(C=A+B)**		**2,096.59**	**1,935.85**	**1,250.38**	**1,138.65**

(b) Reconciliation of total comprehensive income for the year ended March 31, 2020, March 31, 2019 and March 31, 2018

Particulars	Notes to first-time adoption	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)
Profit after tax as per previous GAAP		149.92	614.47	117.71
Adjustments:				
Impact of Prior period item restatement pertaining to depreciation		-	-	(2.06)
Impact of earlier year tax adjustments		(3.34)	5.69	(3.36)
Gain on Fair valuation of Mutual funds at fair value	(i)	13.81	10.11	2.37
Impact of Interest income on Fair valuation of Security deposit	(ii)	1.48	1.33	1.20
Impact of recognition of expected credit loss	(iii)	(0.94)	1.46	0.14
Amortisation of processing cost -Windlas Healthcare Private Limited		-	-	(1.02)
Interest expense on Lease liability	(v)	(1.58)	(1.96)	(2.31)
Amortisation expense of Right-of-use asset	(v)	(6.38)	(5.51)	(6.79)
Rent expense charged	(v)	5.86	5.86	5.86
Reversal of Amortisation of Leasehold land and Building Lease	(v)	0.50	0.53	0.56
Actuarial (gain)/loss reclassified to Other Comprehensive Income	(vi)	2.89	1.54	(0.01)
Deferred tax under Ind AS	(vii)	(0.09)	(4.74)	(0.31)
Impact of share in loss of associate -Windlas Healthcare Private Limited		-	9.44	-
Total Ind AS adjustments in Statement of Profit and loss		**12.21**	**23.75**	**(5.73)**
Profit after tax as per Ind AS		**162.13**	**638.22**	**111.98**
Other Comprehensive income (net of tax)		(2.12)	(1.05)	(0.24)
Total comprehensive income as per Ind AS		**160.01**	**637.17**	**111.74**

(c) Statement of Cash flows

Impact of above Ind AS adjustments in the statement of cash flows for the year ended March 31, 2020 is as follows:

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	208.82	(41.24)	250.06
Net cash flow from investing activities	(91.75)	51.66	(143.41)
Net cash flow from financing activities	(64.84)	(10.42)	(54.42)
Net increase/(decrease) in cash and cash equivalents	**52.23**	**0.00**	**52.23**
Cash and cash equivalents as at April 1, 2019	128.55	0.00	128.55
Cash and cash equivalents as at March 31, 2020	**180.78**	**0.00**	**180.78**

Impact of above Ind AS adjustments in the statement of cash flows for the year ended March 31, 2019 is as follows:

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	235.04	48.50	186.54
Net cash flow from investing activities	71.37	124.11	(52.74)
Net cash flow from financing activities	(251.70)	(189.44)	(62.26)
Net increase/(decrease) in cash and cash equivalents	**54.71**	**(16.83)**	**71.54**
Cash and cash equivalents as at April 1, 2018	71.95	0.00	71.95
USpharma Windlas LLC balance as at April 1, 2018	1.89	1.89	
Cash outflow on disposal of subsidiary	-	14.94	(14.94)
Cash and cash equivalents as at March 31, 2019	**128.55**	**0.00**	**128.55**

Impact of above Ind AS adjustments in the statement of cash flows for the year ended March 31, 2018 is as follows:

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	349.61	0.81	348.79
Net cash flow from investing activities	(110.88)	(0.95)	(109.93)
Net cash flow from financing activities	(259.12)	1.38	(260.50)
Net increase/(decrease) in cash and cash equivalents	**(20.39)**	**1.25**	**(21.64)**
Cash and cash equivalents as at April 1, 2017	94.24	0.65	93.59
USpharma Windlas LLC balance	(1.89)	(1.89)	-
Cash and cash equivalents as at March 31, 2018	**71.95**	**0.00**	**71.95**

C. Notes to first time adoption of Ind AS:

(i) Under the previous GAAP, current investments in mutual funds were carried at lower of cost and fair value. Under Ind AS 109, such investments are measured at fair value through profit and loss. Consequent to this change, total equity increased by ₹ 59.91 millions as at March 31, 2020 (March 31, 2019 (Proforma): ₹ 46.10 millions, March 31, 2018 (Proforma): ₹ 35.99 millions and April 01, 2017 (Proforma transition date): ₹ 33.63 millions). The profit for the year ended March 31, 2020, March 31, 2019 (Proforma) and March 31, 2018 (Proforma) increased by ₹ 13.80 millions, ₹ 10.11 millions and ₹ 2.37 millions respectively.

(ii) Under the previous GAAP, interest free security deposits under that are refundable on completion of lease term are recorded at their transaction value. As per Ind AS, such balances are classified as financial assets and measured at amortized cost using effective interest rate method. The difference between the fair value and transaction value of the security deposit is recorded as "Prepaid rent" and is amortised over the term of the lease contract on straight-line basis. Consequent to this change, the amount of security deposit decreased by ₹ 5.30 millions as at March 31, 2020 (March 31, 2019 (Proforma): ₹ 6.79 millions, March 31, 2018 (Proforma): ₹ 8.11 millions, and April 1, 2017 (Proforma transition date): ₹ 9.31 millions). Unamortised balance of "Prepaid rent" amounting to ₹ 5.11 millions was reclassified as "Right-of-use asset" as on March 31, 2019 as per Ind AS 116 "Leases". Total equity decreased by ₹1.59 millions as at April 1, 2017(Proforma); ₹0.39 millions as at March 31, 2018(Proforma) and ₹0.20 millions as at March 31, 2020. Total equity increased by ₹0.94 millions as at March 31, 2019(Proforma). The profit for the year ended March 31, 2020, March 31, 2019 (Proforma) and March 31, 2018 (Proforma) increased by ₹ 1.48 millions, ₹ 1.33 millions and ₹ 1.20 millions respectively on account of the notional interest income recognised on security deposits.

(iii) Under previous GAAP, the Company has not recognised expected credit loss for its trade receivables whereas Ind AS 109 requires companies to compute the expected credit loss with respect to financial assets. Consequent to this change, the Company has recognised expected credit loss on its trade receivables and the total equity decreased by ₹ 6.20 millions as at March 31, 2020 (March 31, 2019 (Proforma): ₹ 5.25 millions, March 31, 2018 (Proforma): ₹ 6.71 millions, and April 1, 2017 (Proforma transition date): ₹ 6.85 millions). The profit for the year ended March 31, 2020 decreased by ₹ 0.94 millions, March 31, 2019 (Proforma) and March 31, 2018 (Proforma) increased by ₹ 1.46 millions and ₹ 0.19 millions respectively.

(iv) Windlas Healthcare Pvt. Ltd. had taken lease hold land for its office including factory and entered a lease agreement with the owner of the land Mr. Ashok Kumar Windlass in June 2011 for thirty years with agreed lease rent ₹1100 per annum. Windlas Healthcare Pvt. Ltd. has purchased same property from the owner during FY 2018-19 and accordingly the lease hold property converted into free hold property in FY 2018-19.

(v) Under previous GAAP, leases were recognised as operating leases. As per Ind AS 116, "Leases", a lessee is required to recognise a lease liability representing present value of future lease payment and a corresponding right-of-use asset except in case of short-term or low value leases. Present value of future lease payments is calculated using interest rate implicit in the lease agreement and where such rate is not readily determinable, an entity may use incremental borrowing rate. The Company has recognised lease liability and corresponding right-of-use asset of leased office premises and leashold land and building in Dehradun. The incremental borrowing rate used by the Company is 9.75% p.a. Adoption of Ind AS 116 has resulted in recognition of right-of use asset of ₹ 36.07 millions as on March 31, 2020 (March 31, 2019 (Proforma): ₹41.50 millions, March 31, 2018 (Proforma): ₹ 62.56 millions, and April 1, 2017 (Proforma transition date): ₹ 69.34 millions); recognition of lease liability of ₹ 15.03 millions as on March 31, 2020 (March 31, 2019 (Proforma): ₹ 19.34 millions, March 31, 2018 (Proforma): ₹ 23.23 millions, and April 1, 2017 (Proforma transition date): ₹ 26.78 millions); derecognition of net block of leasehold land amounting to ₹15.02 millions as on April 1, 2019; derecognition of net block of leasehold buildings amounting to ₹3.17 millions as on April 1, 2019 and derecognition of prepaid rent amounting to ₹ 5.11 millions as on April 1, 2019. The profit for the year ended March 31, 2020, March 31, 2019 (Proforma) and March 31, 2018 (Proforma) decreased by ₹ 1.60 millions, ₹ 1.08 millions and ₹ 2.68 millions respectively.

(vi) Under previous GAAP, the entire cost, including actuarial gains and losses on post-employment defined benefit plan is charged to the statement of profit or loss. Under Ind AS 19, remeasurements comprising of acturial gains and losses are recognised through Other Comprehensive Income. As a result of this change, the profit for the year ended March 31, 2020, March 31, 2019(Proforma) and March 31, 2018(Proforma) decreased by ₹ 2.12 millions, ₹ 1.05 millions and ₹0.04 millions respectively. There has been no change in total equity as on March 31, 2020, March 31, 2019 (Proforma), March 31, 2018 (Proforma) and April 01, 2017 (Proforma transition date).

(vii) Under previous GAAP, deferred tax is computed on timing and permanent differences between accounting income and taxable income. Under Ind AS 12, the deferred tax is computed on the temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Consequent to such change, the total equity decreased by ₹ 13.10 millions as on March 31, 2020 (March 31, 2019 (Proforma): ₹ 13.36 millions, March 31, 2018 (Proforma): ₹ 9.08 millions and April 01, 2017 (Proforma transition date): ₹ 8.72 millions). The profit for the year ended March 31, 2020, March 31, 2019 (Proforma) and March 31, 2018 (Proforma) decreased by ₹ 0.09 millions, ₹ 4.74 millions and ₹ 0.31 millions respectively.

(viii) Under previous GAAP, USpharma Windlas LLC, Joint Venture, was consolidated on proportionate share consolidation basis whereas it is consolidated as per equity method as per Ind AS 28.

D. Proforma Ind AS Adjustment:

(i) The Company has recognised Right-of-use assets and lease liabilities in the books of accounts on April 1, 2019, which is the date of transition to Ind-AS 116 for audited financial statements. For the purpose of proforma restated financial statements for the year ended March 31, 2019 and March 31, 2018, transition date of Ind-AS 116 is considered as April 1, 2017. Such change in transition date resulted into a net adjustment of ₹ 0.73 millions, the impact of which was recognized in the restated consolidated financial statements for the year ended March 31, 2020 on April 1, 2019.

44. Business Combinations

(i) Sale of controlling stake in Windlas Healthcare Private Limited

During the year ended March 31, 2019, on October 29, 2018, Windlas Healthcare Private Limited ("WHPL"), subsidiary of the Company, issued 24,077,950 equity shares at face value Rs. 10 each along with premium of Rs. 54.60 (total value including premium Rs. 64.60) to Cadila Healthcare Ltd. against cash consideration of Rs. 1,555.50 millions, consequent to which, Cadila Healthcare Ltd. acquired 51% of total equity shares of WHPL and became the holding company of WHPL and WHPL became an associate of the Company. The loss of the subsidiary till October 29, 2018 amounting to Rs.91.62 millions has been accounted for in the proforma consolidated statement of Profit and Loss for the year ended March 31, 2019. After considering such loss, the net assets of WHPL amounting to Rs.523.02 millions were derecognised and Investment in associate to the extent of share of the Company representing 49% equity stake, amounting to Rs.1,018.47 millions had been recognised. Consequently, gain on loss of control of Rs.495.45 millions has been recognised in statement of profit and loss as an exceptional item. Further, the share of loss in associate for the period October 30, 2018 to March 31, 2019 amounting to Rs.4.50 millions has been recognised in proforma consolidated statement of profit and Loss and in investment in associate following equity method.

(ii) Acquisition of controlling stake in Associate

Pursuant to Share Purchase Agreement dated April 16, 2020 between the Company and Cadila Healthcare Limited ("Cadila") and Windlas Healthcare Private Limited ("WHPL"), the Company has acquired 944,233 equity shares of Rs. 10 each of WHPL from Cadila. Consequently, Company's shareholding in WHPL has increased from 49% to 51% as a result of which WHPL has become the subsidiary company of the Group effective April 16, 2020.

The Company is the promoter company of WHPL and the above acquisition was made with an objective of expanding Group's pharmaceutical business. Such business combination has been accounted for by applying acquisition method as per Ind AS- 103- "Business combinations".

Initial recognition and measurement of assets and liabilities at fair value as on date of acquisition, have been determined on the basis of available facts and information. Such provisional amounts are subject to change within the measurement period as prescribed under Ind AS 103.

The measurement of the business combination as on April 16, 2020 is on the basis of fair values of assets and liabilities, reassessed in February 2021, based on the information and assessments available as on that date regarding the status as at April 16, 2020. Accordingly, the value of intangible assets in process has been assessed keeping in view the status of the US FDA alert, which is still in operation and the fact that without the removal of the US import alert, the interest level in the relevant products is little in rest of the world.

This accounting estimate is different from the earlier estimate made in March 2020, at which time the relevant intangible assets were valued at cost without any impairment. It is confirmed that, this adjustment to the provisional amount recognized earlier reflects new information and assessment of the developments during the intervening period (which is within the measurement period as per Ind AS 103) and reflects circumstances that existed on the acquisition date.

This has resulted in reducing the amount of fair value of assets in process by Rs. 420.39 millions with a corresponding increase in goodwill by Rs. 214.39 millions and decrease in NCI by Rs.205.99 millions. Since this represents a change in estimate from that made as of March 31, 2020, no retrospective adjustments have been made in comparative figures of previous periods.

The fair values of identified assets acquired and liabilities recognized as at the date of acquisition were:

Particulars	Amount
Assets	
Property, plant and equipment	319.84
Capital work-in-progress	12.73
Intangible assets	17.60
Intangible assets under development	-
Cash and cash equivalents	56.65
Inventory	22.13
Other current assets	1,106.69
Other non-current assets	5.27
	1,540.91
Liabilities	
Trade payables	25.49
Other current liabilities	13.27
Other non-current liabilities	6.67
	45.43
Net identifiable assets acquired under Business Combination	**1,495.48**
Non-controlling interest	(732.79)
Goodwill	272.64
Total Purchase consideration	**1,035.33**
Purchase consideration discharged through:	
Cash consideration	40.59
Fair value of previously held equity interest in WHPL*	994.75
Net cash acquired/(outflow) with associate	16.05

*includes gain on fair valuation of previously held equity interest in WHPL as on April 16, 2020 amounting to Rs. 56.47 millions recognised as an exceptional item in consolidated statement of profit and loss.

(iii) Acquisition on non-controlling stake in Subsidiary

Pursuant to Share Purchase Agreement dated April 30, 2020 between the Company and Cadila Healthcare Limited ("Cadila") and Windlas Healthcare Private Limited ("WHPL"), the Company has acquired 23,133,717 equity shares of Rs. 10 each of WHPL from Cadila. Consequently, Company's shareholding in WHPL has increased from 51% to 100% as a result of which WHPL has become the wholly-owned subsidiary company of the Group effective from April 30, 2020.

Such acquisition of non-controlling stake in WHPL is accounted for as per Ind AS 110 'Consolidated Financial Statements' which require that any difference in amount of non-controlling interest and fair value of consideration paid is to be transferred directly to equity and attributed to owners of parent.

(iv) Scheme of Arrangement for Merger of Windlas Healthcare Private Limited with the Company

The Company filed a scheme of arrangement for merger of Windlas Healthcare Private Limited ("WHPL") with Windlas Biotech Private Limited under section 233 of the Companies Act, 2013 with Regional Director on 10th November, 2020. The Company received approval of scheme from Regional Director on December 24, 2020 and confirmation from Registrar of Companies on March 30, 2021. The management of the Company, considering the fact that the scheme has already been approved by Regional Director and subsequently by Registrar of Companies, has accounted for the merger in the books of accounts. Though the event of receipt of confirmation from Registrar of Companies is subsequent event for reporting period December 31, 2020, however, the management has accounted the merger with WHPL from appointed date as per the scheme i.e. May 1, 2020. Pursuant to merger of Windlas Healthcare Private Limited with the company, the authorized share capital of the company is increased to Rs 775 millions and the same has been disclosed as authorized share capital in Note 16 of these restated consolidated financial statements. The Company has accounted the merger as common control transaction as required under Ind AS 103 'Business Combination' using pooling of interest method. Since, WHPL came under common control w.e.f. April 16, 2020, comparative information has not been restated.

As clarified by Ind AS Technical Facilitation Group ("ITFG") of Institute of Chartered Accountants of India ("ICAI") in its clarification Bulletin 9, with respect to merger of subsidiary company into parent company, that in such situation assets, liabilities and reserves of subsidiary company which were appearing in the consolidated financial statements of the Group immediately before the merger would be part of separate financial statements of the parent company. Accordingly, in respect of the Company, assets, liabilities and reserves of WHPL appearing in consolidated financial statements immediately before merger as on April 30, 2020 is considered while preparing the merged standalone Ind AS financial statements of the Company which is subsequently included in these consolidated financial statements.

As per our report of even date
For SS Kothari Mehta & Company
Chartered Accountants
Firm Registration Number - 000756N

Yogesh Gupta
Partner
Membership No. - 093214
Place: New Delhi
Date: 27th April, 2021

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

Ashok Kumar Windlass
Chairman and Executive Director
DIN: 00011451
Place: Dehradun
Date: 27th April, 2021

Hitesh Windlass
Managing Director
DIN: 02030941
Place: Gurugram
Date: 27th April, 2021

Manoj Kumar Windlass
Joint Managing Director
DIN: 00221671
Place: Dehradun
Date: 27th April, 2021

Komal Gupta
Chief Financial Officer
Place: Gurugram
Date: 27th April, 2021

Ananta Narayan Panda
Company Secretary
Place: Gurugram
Date: 27th April, 2021

Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited)
CIN: U74899UR2001PLC033407
Annexure V- Notes to Restated Consolidated financial statements
(All amounts in Indian Rupees in millions, unless otherwise stated)

Note 45 - 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 December 31, 2020

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	100.17%	1,933.21	104.57%	101.15	100.00%	(1.86)	104.66%	99.29
Subsidiary								
Windlas Inc. (w.e.f. April 16, 2020)	-0.16%	(3.02)	-0.07%	(0.06)	0.00%	-	-0.07%	(0.06)
Joint Venture								
USpharma Windlas LLC (w.e.f. April 16, 2020)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Associates								
Windlas Healthcare Private Limited (upto April 16, 2020)	0.00%	-	-1.79%	(1.73)	0.00%	-	-1.83%	(1.73)
Windlas Inc. (upto April 16, 2020)			0.00%	-				
Non Controlling Interest	0.00%	-	-2.71%	(2.62)			-2.76%	(2.62)
Elimination/Adjustments	-0.02%	(0.34)	0.00%	-	0.00%	-	0.00%	-
Total	100.00%	1,929.85	100.00%	96.74	100.00%	(1.86)	100.00%	94.88
Consolidated net assets/ Profit/(loss) after tax								
Attributable to shareholder's of the company	100.00%	1,929.85	102.72%	99.36	100.00%	(1.86)	102.77%	97.50
Attributable to non-controlling interest	0.00%	-	-2.72%	(2.62)	0.00%	-	-2.77%	(2.62)

As at March 31, 2020

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	105.10%	2,203.45	146.05%	236.78	107.50%	(2.28)	140.74%	234.50
Associates								
Windlas Healthcare Private Limited	44.95%	942.45	-39.51%	(64.06)	-7.50%	0.16	-38.35%	(63.90)
Windlas Inc.	0.10%	2.05	-2.45%	(3.97)	0.00%	-	-2.39%	(3.97)
USpharma Windlas LLC	-0.21%	(4.48)	-4.08%	(6.62)				
Elimination/Adjustments	-49.93%	(1,046.87)	0.00%	-	0.00%	-	0.00%	-
Total	100.00%	2,096.59	100.00%	162.13	100.00%	(2.12)	100.00%	166.63
Consolidated net assets/ Profit/(loss) after tax								
Attributable to shareholder's of the company	100.00%	2,096.59	100.00%	162.13	100.00%	(2.12)	96.03%	160.01
Attributable to non-controlling interest	0.00%	-	0.00%	-	0.00%	-	0.00%	-

As at December 31, 2019

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	103.53%	2,167.57	127.10%	200.19	449.78%	(1.56)	121.49%	198.63
Associates								
Windlas Healthcare Private Limited	46.59%	975.43	-20.58%	(32.41)	-349.78%	1.21	-19.08%	(31.20)
Windlas Inc.	0.09%	1.80	-2.50%	(3.94)	0.00%	-	-2.41%	(3.94)
USpharma Windlas LLC	-0.20%	(4.20)	-4.02%	(6.34)				
Elimination/Adjustments	-50.00%	(1,046.87)	0.00%	-	0.00%	-	0.00%	-
Total	100.00%	2,093.73	100.00%	157.50	100.00%	(0.35)	100.00%	163.49
Consolidated net assets/ Profit/(loss) after tax								
Attributable to shareholder's of the company	100.00%	2,093.73	100.00%	157.50	100.00%	(0.35)	96.12%	157.15
Attributable to non-controlling interest	0.00%	-	0.00%	-	0.00%	-	0.00%	-

As at March 31, 2019

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	101.71%	1,968.99	37.44%	238.93	85.79%	(0.90)	37.36%	238.03
Subsidiary								
Windlas Healthcare Private Limited (till October 29, 2018)	-26.99%	(522.41)	-13.87%	(88.49)	0.00%	-	-13.89%	(88.49)
Windlas Inc. (till October 29, 2018)	-0.10%	(1.88)	-0.53%	(3.37)	0.00%	-	-0.53%	(3.37)
Joint Venture								
USpharma Windlas LLC (till October 29, 2018)	-0.16%	(3.17)	-0.50%	(3.17)	0.00%	-	-0.50%	(3.17)
Associates								
Windlas Healthcare Private Limited (w.e.f. October 30, 2018)	-0.34%	(6.50)	-1.02%	(6.50)	14.21%	(0.15)	-1.04%	(6.65)
Windlas Inc. (w.e.f. October 30, 2018)	0.09%	1.74	0.27%	1.74	0.00%	-	0.27%	1.74
USpharma Windlas LLC (w.e.f. October 30, 2018)	0.01%	0.26	0.04%	0.26				0.26
Elimination/Adjustments	25.77%	498.82	78.16%	498.82	0.00%	-	78.29%	498.82
Total	100%	1,935.85	100%	638.22	100%	(1.05)	100%	637.17
Consolidated net assets/ Profit/(loss) after tax								
Attributable to shareholder's of the company	100.00%	1,935.85	100.00%	638.22	100.00%	(1.05)	100.00%	637.17
Attributable to non-controlling interest	0.00%	-	0.00%	-	0.00%	-	0.00%	-

As at March 31, 2018

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	134.52%	1,682.06	146.67%	164.23	-31.42%	0.08	147.05%	164.31
Subsidiary								
Windlas Healthcare Private Limited	48.82%	610.46	-48.82%	(54.66)	50.92%	(0.12)	-49.03%	(54.78)
Windlas Inc.	0.41%	5.07	1.96%	2.20	0.00%	-	1.97%	2.20
Joint Venture								
USpharma Windlas LLC	0.15%	1.88	1.10%	1.24	0.00%	-	1.11%	1.24
Elimination/Adjustments	-83.90%	(1,049.09)	-0.92%	(1.03)	80.50%	(0.20)	-1.10%	(1.23)
Total	100.00%	1,250.38	100.00%	111.98	100.00%	(0.24)	100.00%	111.74
Consolidated net assets/ Profit/(loss) after tax								
Attributable to shareholder's of the company	100.00%	1,250.38	115.75%	111.98	100.00%	(0.24)	117.78%	111.74
Attributable to non-controlling interest	0.00%	-	0.00%	-	0.00%	-	0.00%	-

46. Other commitments

Particulars	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)
Letter of credit	-	-	-	3.05	-

47. USpharma Windlas LLC is one of the Joint venture entity in which Windlas Inc. (subsidiary company of Windlas Biotech) has fifty percent ownership and from financial year 2019-20 the joint venture investement 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.

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)

Yogesh Gupta
Partner
Membership No. - 093214
Place: New Delhi
Date: 27th April, 2021

Ashok Kumar Windlass
Chairman and Executive Director
DIN: 00011451
Place: Dehradun
Date: 27th April, 2021

Hitesh Windlass
Managing Director
DIN: 02030941
Place: Gurugram
Date: 27th April, 2021

Manoj Kumar Windlass
Joint Managing Director
DIN: 00221671
Place: Dehradun
Date: 27th April, 2021

Komal Gupta
Chief Financial Officer
Place: Gurugram
Date: 27th April, 2021

Ananta Narayan Panda
Company Secretary
Place: Gurugram
Date: 27th April, 2021

Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited)
CIN: U74899UR2001PLC033407
Annexure VI
(All amounts in Indian Rupees in millions, unless otherwise stated)

Part A: Statement of Restatement Adjustments to Audited Financial Statements
Reconcilation between audited profit and restated profit

Sr. No.	Particulars	Note No.	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)
A.	**Profit after tax (as per audited financial statements)**		96.74	157.50	149.92	614.47	117.71
B.	**Adjustment for conversion from IGAAP to Ind AS/ Proforma Ind AS**		-	-	15.55	18.06	(0.31)
C.	**Restatement Adjustments**		-	-	(3.34)	5.69	(5.42)
D.	**Restated profit after tax (A+B+C)**		**96.74**	**157.50**	**162.13**	**638.22**	**111.98**

Reconciliation between total audited equity and total restated equity

Sr. No.	Particulars	Note No.	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (Proforma)	As at March 31, 2018 (Proforma)	As at April 1, 2017 (Proforma)
A.	**Total Equity as per audited financial statements**		1,929.85	2,093.73	2,047.75	1,897.82	1,235.05	1,117.55
B.	**Adjustment for conversion from IGAAP to Ind AS/ Proforma Ind AS**		-	-	48.84	38.03	15.33	21.10
C.	**Material Restatement Adjustments**							
	(i) Audit Qualifications :		-	-	-	-	-	-
	(ii) Other material adjustments		-	-	-	-	-	-
D.	**Total Equity as Restated Ind AS Summary Statement of Assets and Liabilities(A+B+C)**		**1,929.85**	**2,093.73**	**2,096.59**	**1,935.85**	**1,250.38**	**1,138.65**

1. Adjustment for conversion from IGAAP to Ind AS
The audited financial statements of the Company as at and for the year ended March 31, 2020, March 31, 2019 and March 31, 2018 were prepared in accordance with accounting principles generally accepted in India including the Companies Accounting Standards Rules, 2006 (as amended) specified under Section 133 of the Act, Companies (Accounts) Rules, 2014 (as amended). The same have been converted into Ind AS to confirm with the accounting policies generally accepted in India including Indian Accounting Standards ("Ind AS") specified under section 133 of the Act, Read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. For further details, refer Annexure VII Note 43 for Ind AS adjustments of total comprehensive income for year ended March 31, 2020, March 31, 2019 (Proforma) and March 31, 2018 (Proforma) and for Equity as at March 31, 2020, March 31, 2019 (Proforma) and March 31, 2018 (Proforma).

Part B: Material Regrouping
Appropriate regroupings have been made in the Restated Ind AS Summary Statement of Assets and Liabilities, Restated Ind AS Summary Statement of Profit and Loss and Restated Ind AS Summary Statement of Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per Ind AS financial information of the Company for the period ended December 31, 2020 prepared in accordance with Schedule III of Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2018, as amended.

Part C: Non Adjusting items

Windlas Biotech Limited (formerly known as Windlas Biotech Private Limited)

As at and for the year ended March 31, 2020

Clause (vii) (c)
According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, excise duty, custom duty, or value added tax which have not been deposited on account of any dispute except:

Nature of the Statute	Nature of the Dues	Amount of Demand (Rs.in Mn)	Amount Paid (Rs.in Mn)	Period to which the amount relates	Forum where dispute is pending
State Excise Act, Uttarakhand	State Excise Duty	25.30	25.30	FY 2008-09 to FY 2012-13	High Court, Nainital

Windlas Healthcare Private Limited
As at and for the year ended March 31, 2020

Clause (vii) (a)
According to the informations & explanations given to us and on the basis of our examiniation of the records of the company, the company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, sales tax, income tax, service tax, custom duty, excise duty, value added tax, goods and service tax, cess and any other material statutory dues with the appropriate authority to the extent applicable though there has been slight delay in few cases.

Windlas Healthcare Private Limited
As at and for the year ended March 31, 2019
(a) Annexure to Auditor's report for the financial year ended March 31, 2019

Clause (vii) (a)
Undisputed statutory dues including provident fund, employees' state insurance, professional tax, income-tax, custom duty, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been slight delay in few cases.

Clause (vii) (c)
According to the records, information and explanations given to us, the dues outstanding in respect of income tax, sales tax, custom duty, excise duty, goods and service tax, and value added tax on account of any dispute are as follows:

Nature of the Statute	Nature of the Dues	Amount of Demand (Rs. In Mn)	Amount Paid (Rs. In Mn)	Period to which the amount relates	Forum where dispute is pending
Goods and Service Tax	GST	5.51	5.51	2017	Appellate Tribunal

Subsequent event:
The board of Directors of the Company in the Board meeting dated 16th April,2021 and Shareholders of the company in the Extra Ordinary General Meeting dated 17th April,2021 have approved the sub-division of each of the Equity Share of the Company having a face value of Rs. 10/- each in the Equity Share Capital of the Company be sub-divided into 2 Equity Shares having a face value of Rs. 5/- each ("Sub-division"). Further the Board of Directors at its meeting held on 16th April 2021, pursuant to Section 63 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, proposed that a sum of Rs. 26.93 millions be capitalized as Bonus Equity shares out of free reserves and surplus, and distributed amongst the Equity Shareholders by issue of 53,85,293 Equity shares of Rs. 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. It has been approved in the meeting of shareholders held on 17th April 2021. As a result of this the equity portion of authorized share capital of the company is revised to 108,000,000 equity shares of face value of Rs 5 each as on the date of signing of the financials. The issued, subscribed & fully paid up equity share capital of the company as on date of signing of the financials is 18,207,419 equity shares of face value of Rs 5 each i.e. Rs 91.04 millions. Earnings Per Share calculations have been reinstated in all the periods to give effect of this subdivision (Split) and bonus.

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	As at and for the nine months ended December 31, 2020	As at and for the nine months ended December 31, 2019	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019	As at and for the year ended March 31, 2018
Earning before interest, depreciation & amortization expenses (EBITDA) (A) (₹ million)	434.03	295.18	340.00	377.41	394.58
Revenue from Operations (B) (₹ million)	3,207.93	2,548.68	3,288.52	3,072.67	3,523.69
EBITDA Margin (%) (A/B)	13.53%	11.58%	10.34%	12.28%	11.20%
Return on Net Worth (%)	15.54%*	7.82%*	8.04%	8.97%	9.40%
Net Asset Value per Equity Share (basic) (₹)	105.99	114.99	115.15	117.11	78.61
Net Asset Value per Equity Share (diluted) (₹)	105.99	114.99	115.15	114.19	75.80
Earnings per share (basic) (₹)	5.46*	8.65*	8.90	38.61	7.06
Earnings per share (diluted) (₹)	5.46*	8.65*	8.90	37.65	6.80
Other Key Accounting Ratios					
Material Margin (%)	36.61%	35.95%	35.66%	37.54%	32.72%
Earnings before interest and tax (EBIT) (C) (in ₹ million)	337.96	228.87	247.07	271.50	221.11
EBIT Margin % (C/B)	10.54%	8.98%	7.51%	8.84%	6.28%
Gross Debt to EBITDA ratio	0.5x	0.7x	0.8x	0.8x	1.4x
Net Debt to EBITDA ratio	(0.2x)	0.05x	0.3x	0.4x	1.2x
Gross Block of fixed assets (tangible and intangible assets including capital work-in-progress) (D) (₹ million)	1,511.04	728.41	750.93	840.48	1,494.32
Gross fixed assets turnover ratio ("**GFATR**") (B/D)	2.1x	3.5x	4.4x	3.7x	2.4x
Capital Employed at the end of the period (₹ million)	1,938.64	2,111.78	2,108.72	1,994.01	1,428.89
Average Capital Employed (E) (₹ million)	2,023.68	2,052.89	2,051.36	1,711.45	1,423.57
Profit for the period/year (F) (₹ million)	96.74	157.50	162.13	638.22	111.98
Exceptional items (₹ million)	(216.17)	-	-	495.45	-
Profit for the period/year before exceptional items (G) (₹ million)	312.91	157.50	162.13	142.77	111.98
Net Worth (₹ million)	1,929.85	2,093.73	2,096.59	1,935.85	1,247.53
Average Net Worth (₹ million)	2,013.22	2,014.79	2,016.22	1,591.69	1,191.66
ROCE (%)	16.70%*	11.15%*	12.04%	15.86%	15.53%
PAT Margin (%) (G/B)	9.75%	6.18%	4.93%	4.65%	3.18%
Non-Current Borrowings/Total Equity (%)	0.46%	0.86%	0.58%	3.00%	14.54%
Total Borrowings/Total Equity (%)	11.55%	9.79%	13.08%	15.45%	44.18%

** Not annualised*

The ratios have been computed as under:

(i) *EBITDA is calculated as profit before share of gain/(loss) in Joint Venture and Associates, exceptional items and tax, plus share of gain/(loss) in Associate/Joint Venture, depreciation, amortization and finance costs less other income, while EBITDA Margin is the percentage of EBITDA divided by revenue from operations*

(ii) *Return on net worth is calculated profit for the period/year before exceptional item divide by Average Net worth.*

(iii) *Net asset value per Equity share is calculated as Restated net worth at the end of the period/year divided by the weighted average number of equity shares.*

(iv) *Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*
Basic earnings per share is calculated as Restated profit for the year/period attributable to equity shareholders divided by weighted average number of equity shares in calculating basic EPS.
Diluted earnings per share is calculated as Restated profit for the year/period attributable to equity shareholders divided by Weighted average number of diluted equity shares in calculating diluted EPS.

(v) *Material margin ratio is calculated by dividing margin by revenue from operation. Margin is computed by deducting cost of goods sold from revenue from operations.*

(vi) *EBIT is calculated as EBITDA, Less Depreciation.*

(vii) *EBIT margin is derived by EBIT divided by revenue from operations.*

(viii) *Gross Debt to EBITDA Ratio is calculated on the basis gross debt includes Long-term borrowing including current maturity of long term debt and short-term borrowing divided by EBITDA*

(ix) *Net Debt to EBITDA is calculated on the basis net off of borrowings (Long term plus short term including current maturity of long term debt) and cash and cash equivalent and bank balances and divide by EBITDA.*

(x) *Gross fixed assets turnover ratio ("GFTAR") is calculated by dividing revenue from operation by gross block.*

(xi) *Capital Employed includes shareholder fund and long-term borrowing less capital reserve and foreign currency translation reserve.*

(xii) *Net worth is total shareholder fund, i.e. Equity plus other equity less capital reserve and foreign currency translation reserve.*

(xiii) *Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated financial statements, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*

(xiv) *Return of capital employed is calculated based on EBIT divide by average capital employed.*

(xv) *PAT Margin is calculated by Profit for the period/year before exceptional items divide by Revenue from operation.*

(xvi) *Non-Current borrowing to Total Equity is calculated by long-term borrowing divide by total shareholder fund.*

(xvii) *Total borrowing to Total Equity is calculated by Long-term borrowing plus short-term borrowing including current maturity of long term debt divide by total shareholder fund.*

(xviii) *Weighted Average Number of Equity Shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor.*

(xix) *Average capital employed derived by taking of average of current year and previous year.*

The above ratios have been computed based on the Restated Financial Statements.

In accordance with the SEBI ICDR Regulations, the audited financial statements of our Company for the financial years ended March 31, 2020, March 31, 2019 and March 31, 2018 (collectively, the "**Audited Financial Statements**") are available on our website at https://windlas.com/financial-results/.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision.

None of our Company or any of its advisors, nor BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 'Related Party Disclosures' for the nine month periods ended December 31, 2020 and December 31, 2019, and Fiscals 2020, 2019 and 2018, and as reported in the Restated Consolidated Financial Information, see "*Financial Statements – Annexure V-Notes to Restated Consolidated financial statements – 40. Related party disclosures*" on page 220.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Consolidated Financial Information on page 182.

This Draft Red Herring Prospectus may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Draft Red Herring Prospectus. For further information, see "Forward-Looking Statements" on page 20. Also read "Risk Factors" and "- Significant Factors Affecting our Results of Operations" on pages 21 and 238, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2018, 2019 and 2020 and for the nine months ended December 31, 2019 and 2020 included herein is derived from the Restated Consolidated Financial Information, included in this Draft Red Herring Prospectus, which have been derived from our audited financial statements and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. For further information, see "Financial Statements" on page 182.

Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to Windlas Biotech Limited on a standalone basis, and references to "the Group", "we", "us", "our", are to Windlas Biotech Limited, its Subsidiary and Joint Venture on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Assessment of the Global and Indian pharmaceuticals industry" dated April 2021 ("**CRISIL Report**"), prepared and issued by CRISIL Research, a division of CRISIL Limited, commissioned by us. Unless otherwise indicated, all financial information of the Company derived from the CRISIL Report and included herein is based on the Indian GAAP audited financial information of the Company for the relevant periods and are therefore not comparable to our Restated Consolidated Financial Information. Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 16.*

OVERVIEW

We are amongst the top five players in the domestic pharmaceutical formulations contract development and manufacturing organization ("**CDMO**") industry in India in terms of revenue (*Source: CRISIL Report*). With over two decades of experience in manufacturing both solid and liquid pharmaceutical dosage forms and significant experience in providing specialized capabilities, including, high potency, controlled substances and low-solubility, we provide a comprehensive range of CDMO services ranging from product discovery, product development, licensing and commercial manufacturing of generic products, including complex generics, in compliance with current Good Manufacturing Practices ("**GMP**") with a focus on improved safety, efficacy and cost. In Fiscal 2020, our market share was approximately 1.5% in terms of revenue in the domestic formulations CDMO industry (*Source: CRISIL Report*). In addition to providing services and products in the CDMO market, we also sell our own branded products in the trade generics and OTC markets as well as export generic products to several countries.

The prevalence of chronic diseases in India has been increasing in the last few years, specifically in certain key therapeutic categories, such as, anti-diabetic, cardiovascular, neuropsychiatry and respiratory therapies, that are treated with 'multi-drug therapy' by physicians, *i.e.* the specific use of two or more drugs for single or multiple chronic conditions in an individual. Moreover, multi-drug therapy has gained importance over the past few years in the healthcare sector and is expected to aid the growth of pharmaceutical consumption. (*Source: CRISIL Report*). We have significant experience in developing and manufacturing generic fixed dose combinations. Our focus has currently been on launching new complex generic products in the chronic therapeutic category linked to lifestyle related disorders. Our complex generic products portfolio primarily comprises fixed dosage combinations, fixed dosage plus modified release combinations, customized generics and chewable or dispersible, which has grown from 64.07% in Fiscal 2018 to 68.98% in Fiscal 2020 of our total product portfolio. In the nine months ended December 31, 2020, our complex generic product portfolio comprised 804 products having grown from 661 products in the nine months ended December 31, 2019. Our revenue from the sale of complex generic products amounted to ₹ 2,104.44 million, ₹ 2,048.43 million, ₹ 2,297.28 million, ₹ 1,785.29 million and ₹ 2,106.55 million in Fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2019 and 2020, respectively. The complex generic products market has a high barrier to entry as these products are generally difficult to develop and require special know-how from the development and manufacturing perspective compared to conventional generic products (*Source: CRISIL Report*).

We have three distinct strategic business verticals ("**SBVs**"): (i) CDMO Services and Products; (ii) Domestic Trade Generics and over-the-counter ("**OTC**") Brands; and (iii) Exports.

CDMO Services and Products. Our CDMO Services and Products SBV is focused on providing products and services across a diverse range of pharmaceutical and nutraceutical generic products for Indian and multinational pharmaceutical companies who market such products under their own brand names to the end users. In Fiscal 2020 and the nine months ended December 31, 2020, our CDMO Services and Products SBV accounted for 87.36% and 85.73%, respectively, of our total revenue from

operations. Revenues from CDMO Services and Products SBV increased by 23.12% from ₹ 2,233.68 million in the nine months ended December 31, 2019 to ₹ 2,750.07 million in the nine months ended December 31, 2020.

We believe our CDMO customers rely on our customized formulation, development and manufacturing expertise to address the growing drug and therapy complexity, cost pressures and regulatory scrutiny. We partner with many of our CDMO customers early in the drug development process, providing us the opportunity to continue to expand our relationship as molecules progress through the clinical phase and into commercial manufacturing. This results in long-term relationships with our customers and a recurring revenue stream. We believe our range of products and services, reliability and scale addresses our CDMO customers' increasing need to outsource and desire to reduce the number of supply chain partners while maintaining a high quality of product and service. Accordingly, we have developed relationships with various leading Indian pharmaceutical companies, including Pfizer Limited, Sanofi India Limited, Cadila Healthcare Limited/ Zydus Healthcare Limited, Emcure Pharmaceuticals Limited, Eris Lifesciences Limited, Intas Pharmaceuticals Limited and Systopic Laboratories Private Limited. In Fiscal 2020, we provided CDMO services to seven of the top 10 Indian formulations pharmaceutical companies (*Source: CRISIL Report*).

Domestic Trade Generics and OTC Brands. Our Domestic Trade Generics and OTC Brands SBV consists of (i) trade generic products; and (ii) OTC brands, which include nutraceutical and health supplement products that do not require prescription and are marketed, distributed and promoted in India under our own brand names through online and offline channels and majorly manufactured by us. Trade generic products are generic medicines, *i.e.* drugs for which the patents have expired, which are sold directly to the distributor and not marketed through medical representatives, and are typically used as a substitute for more expensive branded generic medicines in order to offer affordable medicines to patients by the retailers and pharmacies (*Source: CRISIL Report*). Our Domestic Trade Generics and OTC Brands SBV accounted for 9.20% and 10.12% of our total revenue from operations in Fiscal 2020 and the nine months ended December 31, 2020, respectively. Our Domestic Trade Generics and OTC Brands SBV has grown at a CAGR of 33.44% from ₹ 169.89 million in Fiscal 2018 to ₹ 302.50 million in Fiscal 2020. In addition, revenues from Domestic Trade Generics and OTC Brands SBV increased by 43.57% from ₹ 226.05 million in the nine months ended December 31, 2019 to ₹ 324.53 million in the nine months ended December 31, 2020

Exports. Our Exports SBV is engaged in identifying high growth markets and opportunities in semi-regulated international markets as well as selected regulated markets, for developing and registering product applications to obtain marketing authorizations for generic medicines and health supplements and subsequently, sell such products to pharmaceutical companies and pharmacies in the respective markets. In Fiscal 2020 and the nine months ended December 31, 2020, our Exports SBV accounted for 3.25% and 3.34%, respectively, of our total revenue from operations. Revenues from Export SBV increased by 26.83% from ₹ 84.57 million in the nine months ended December 31, 2019 to ₹ 107.26 million in the nine months ended December 31, 2020.

Each of our SBVs is supported by a network of R&D laboratories and manufacturing facilities which in turn are supported by various functions, including supply chain, inventory, finance and human resources.

We currently own and operate four manufacturing facilities located at Dehradun in Uttarakhand. As of December 31, 2020, our manufacturing facilities had an aggregate installed operating capacity of 7,063.83 million tablets/ capsules, 54.46 million pouch/ sachet and 61.08 million liquid bottles. In addition, we have recently received a license to manufacture certain APIs at our Dehradun Plant – I, which will help us with backward integration. Our manufacturing facilities are regularly inspected for compliance with current GMP and all of our manufacturing facilities are Schedule M compliant, while our Dehradun Plant – I, Dehradun Plant – II and Dehradun Plant – IV are compliant with standards set by WHO GMP. Our R&D laboratories (which include formulation development, analytical development and chemical research areas)are located at Dehradun Plant - I, and are 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 are led by professional and experienced Promoters and a senior management team with significant expertise in the pharmaceutical industry. Our Promoter, and Whole-time Director, Ashok Kumar Windlass, has over 20 years of experience in the manufacturing and pharmaceutical business in India, while Hitesh Windlass, our Promoter and Managing Director, helped with regards to the strategic, corporate and technical operations, and Manoj Kumar Windlass, our Promoter and Joint Managing Director, helped in the commercial operations of our Company. We leverage the experience of our Individual Promoters and senior management team to anticipate and address market trends, manage and grow our operations, maintain and leverage customer relationships and respond to changes in customer preferences.

Our business has grown organically, as reflected in a consistent increase in revenues and profitability, and our long-term CDMO service agreements with customers results in predictable and stable cash flows. Our revenue from operations was ₹ 3,523.69 million, ₹ 3,072.67 million and ₹ 3,288.52 million in Fiscals 2018, 2019 and 2020, respectively, while our PAT margin (*i.e.* profit for the period/ year before exceptional items divided by revenue from operations) was 3.18%, 4.65% and 4.93%, respectively, in the same periods. In Fiscals 2018, 2019 and 2020, our EBITDA amounted to ₹ 394.58 million, ₹ 377.41 million and ₹ 340.00 million, respectively. As of March 31, 2018, 2019, 2020, and December 31, 2019 and 2020, our ROCE was 15.53%, 15.86%, 12.04%, 11.15%, and 16.70%, respectively. Although the ongoing COVID-19 pandemic has significantly affected the global economy, as we are engaged in production of essential goods in the form of pharmaceutical products, we were not required to cease our operations during the COVID-19 pandemic. Despite limited availability of labour, logistics and supply chain constraints, compelling us to operate at limited capacity levels in April and May 2020, our revenue from operations increased by 25.87% from ₹ 2,548.68 million in the nine months ended December 31, 2019 to ₹ 3,207.93 million in the nine

months ended December 31, 2020, while our PAT margin (*i.e.* profit for the period/ year before exceptional items divided by revenue from operations) increased from 6.18% in the nine months ended December 31, 2019 to 9.75% in the nine months ended December 31, 2020. In addition, our EBITDA increased by 47.04% from ₹ 295.18 million in the nine months ended December 31, 2019 to ₹ 434.03 million in the nine months ended December 31, 2020.

PRESENTATION OF FINANCIAL INFORMATION

Our restated consolidated statement of assets and liabilities as at December 31, 2020, December 31, 2019, March 31, 2020, March 31, 2019 (proforma) and March 31, 2018 (proforma), and the restated consolidated statement of profit and loss (including other comprehensive income), cash flows and changes in equity for the nine months ended December 31, 2020 and December 31, 2019, and for the years ended March 31, 2020, March 31, 2019 (proforma) and March 31, 2018 (proforma), together with the summary statement of significant accounting policies and other explanatory information thereon (collectively, the "**Restated Consolidated Financial Information**"), have been derived from our audited special purpose interim consolidated financial statements as at and for the nine months ended December 31, 2020 and December 31, 2019 prepared in accordance with Ind AS – 34, read with the Companies (Indian Accounting Standards) Rules, 2015, and our audited consolidated financial statements as at and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 prepared in accordance with Indian GAAP and read together with paragraph 7 of the Companies (Accounts) Rules, 2014, and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on "*Reports in Company Prospectuses (Revised 2019)*" issued by ICAI and the circular no. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 issued by SEBI.

For further information, see "*Financial Statements – Summary of Significant Accounting Policies*" on page 193.

Transition from Indian GAAP to Ind AS Financial Statements

The financial statements for the nine months ended December 31, 2020, were the first financial statements of our Company that have been prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2020, our Company prepared its financial statements in accordance with Indian GAAP. Accordingly, we have prepared financial statements which comply with Ind AS applicable for the years ended March 31, 2020 and March 31, 2019 (together with the comparative period data as at and for the year ended March 31, 2018). In preparing these financial statements, our Company's opening balance sheet was prepared as at April 1, 2019, our Company's date of transition to Ind AS. The Restated Consolidated Financial Information for the years ended March 31, 2019 and March 31, 2018 have been prepared on proforma basis. For the purpose of proforma Ind AS financial statements for the years ended March 31, 2019 and March 31, 2018, our Company has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on the transition date, i.e. April 1, 2019. In preparing these proforma financial statements, our Company has prepared opening balance sheet as at April 1, 2017, being proforma date of transition to Ind AS. For further information in relation to exemptions and exceptions availed, see "*Financial Statements – Note 43 –First time adoption of Ind AS*" on page 226.

Divestment, Reacquisition and Amalgamation of Windlas Healthcare

Until October 28, 2018, Windlas Healthcare Private Limited ("**Windlas Healthcare**") was a wholly owned subsidiary of our Company. Pursuant to a share purchase agreement dated August 13, 2018 with Cadila Healthcare Limited ("**Cadila**"), our Company's shareholding in Windlas Healthcare was reduced to 49.00%, with effect from October 29, 2018. Consequently, with effect from such date, Windlas Healthcare was reflected as an associate of our Company and its financial results were accordingly consolidated as those of an associate company in our audited consolidated financial statements. Subsequently, we reacquired Cadila's shareholding in Windlas Healthcare in two tranches, initially 2.00% of the outstanding share capital of Windlas Healthcare (with effect from April 16, 2020), and the remaining 49.00% (with effect from April 30, 2020). Accordingly, in our consolidated financial statements for the nine months ended December 31, 2020, Windlas Healthcare is reflected as (i) an associate company for the period beginning from April 1, 2020 to April 15, 2020; (ii) a 51.00% subsidiary for the period beginning from April 16, 2020 to April 29, 2020; (iii) as a 100.00% subsidiary from April 30, 2020; and (iv) subsequently, pursuant to a scheme of amalgamation, as a merged entity into our Company with effect from May 1, 2020; and the financial condition and results of operations of Windlas Healthcare are accordingly reflected in such manner in our consolidated financial statements for the nine months ended December 31, 2020. Since Windlas Healthcare was merged with our Company with effect from May 1, 2020, our audited standalone financial statements for the nine months ended December 31, 2020 will not be comparable to our historical audited standalone financial statements.

Divestment of Windlas Healthcare: On October 29, 2018, Windlas Healthcare issued 24,077,950 equity shares at face value ₹ 10 each along with premium of ₹ 54.60 (total value, including premium, amounting to ₹ 64.60) to Cadila for a consideration of ₹ 1,555.50 million. As a result, Cadila acquired 51.00% of the total equity share capital of Windlas Healthcare. The purpose of the divestment was to enter into a strategic partnership to help develop abbreviated new drug applications ('ANDAs') and utilize our excess capacities to export to the United States market.

Reacquisition of Windlas Healthcare: Pursuant to a share purchase agreement dated April 16, 2020, our Company acquired 944,233 equity shares of ₹ 10 each of Windlas Healthcare from Cadila. As a consequence, our Company's shareholding in Windlas Healthcare increased from 49.00% to 51.00%, with effect from April 16, 2020. Subsequently, pursuant to another share purchase agreement dated April 30, 2020, our Company acquired an additional 23,133,717 equity shares of ₹ 10 each of Windlas Healthcare from Cadila. As a consequence, our Company's shareholding in Windlas Healthcare increased from 51.00% to 100.00%, with effect from April 30, 2020. Our Company had undertaken a borrowing of ₹ 1,020.00 million from

Windlas Healthcare, in order to fund this acquisition of 51.00% shareholding in Windlas Healthcare from Cadila. The purpose of the re-acquisition by our Company was to utilize the manufacturing capacity of the Dehradun Plant – IV, which was operated by Windlas Healthcare, in order to cater to the growth in the CDMO Services and Products SBV. In addition, Cadila was focused on developing the export business, which was delayed on account of the import alert 66-40 on January 21, 2020 and warning letter 320-20-28 dated March 10, 2020 issued by the US FDA in relation to the Dehradun Plant – 4, rather than the domestic CDMO business.

Merger of Windlas Healthcare with our Company: Pursuant to a scheme of amalgamation, Windlas Healthcare was merged into our Company with effect from May 1, 2020, and consequently the financial condition and results of operations of Windlas Healthcare are accordingly reflected in such manner in our standalone and consolidated financial statements for the nine months ended December 31, 2020.

For further details, see "*Financial Statements – Note 44: Business Combinations*" and "*History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamations or any revaluation of assets, in the last 10 years*" on pages 228 and 155, respectively.

As a result of the divestment and subsequent re-acquistion of the shareholding in Windlas Healthcare as well as the merger of Windlas Healthcare into our Company, our consolidated financial statements for Fiscals 2018, 2019 and 2020, and the nine months ended December 31, 2019 and 2020 are not comparable to each other.

In this Draft Red Herring Prospectus, we have not included any proforma financial information with respect to the divestment, re-acquisition and the subsequent merger of Windlas Healthcare into our Company as discussed above, prepared in accordance with the laws and regulations of the United States, India or any other jurisdiction, which would have shown the effect of such events. Investors are therefore cautioned against relying on our Restated Consolidated Financial Information included in this DRHP or our audited standalone and consoldiated financial statements to the extent that they may not be comparable as a result of such divetsment and reacquisiton of Windlas Healthcare in the relevant periods, and the subsequent merger of Windlas Healthcare into our Company with effect from May 1, 2020.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Efficiency in production capabilities and ability to maintain quality

Our ability to increase our cost efficiency is dependent on the efficient management of our production costs. The availability of key raw materials at competitive prices is critical. We purchase APIs and other materials such as, excipients and impurities, and primary and secondary packaging materials from third party suppliers domestically. In addition, we purchase certain APIs from a third party international supplier. In Fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2019 and 2020, our material margin percentage, *i.e.* calculated by dividing margin (which is calculated by deducting cost of goods sold from revenue from operations) by revenue from operations, was 32.72%, 37.54%, 35.66%, 35.95% and 36.61%, respectively. We do not have any long term contracts with our third-party suppliers. Prices are negotiated for each purchase order and we generally have more than one supplier for each raw material. The terms and conditions on including the return policy are set forth in the purchase orders. We seek to source our materials from reputed suppliers and typically seek quotations from multiple suppliers. Historically, we have sourced raw materials from vendors in India, China, Germany and Belgium. Our imported raw materials as a percentage of total raw materials purchases was 4.26% in Fiscal 2020 compared to 3.35% in Fiscal 2018, while it was 4.32% and 4.02% in the nine months ended December 31, 2019 and 2020, respectively. Arrangements with raw material and packing material suppliers are subject to, among other things, regulatory requirements, various import duties and other government clearances. For further information on procurement of our raw materials, see "*Business – Procurement of Raw Materials*" on page 136.

Further, in order to maximize our profits, we must maintain adequate capacity utilization at our manufacturing facilities and an appropriate standard of quality in our manufacturing facilities' equipment and machinery. We are also subject to strict technical specifications, quality requirements, regular inspections and audits by our CDMO customers including leading Indian pharmaceutical companies and multinational companies. Our failure to comply with the quality standards and technical specifications prescribed by such customers may lead to loss of business from such customers and could negatively impact our reputation, which would have an adverse impact on our business prospects and results of operations, including cancellation of existing and future orders which may expose us to warranty claims. Further, our manufacturing facilities are regularly inspected for compliance with current GMP and all of our manufacturing facilities are Schedule M compliant, while our Dehradun Plant – I, Dehradun Plant – II and Dehradun Plant – IV are also compliant with standards set by WHO GMP. For further information, see "*Our Business - Quality Control, Testing and Certifications*" on page 143. Attaining and maintaining an adequate level of capacity utilization and quality requires considerable expense and planning. If we are unable to achieve and preserve the necessary level of quality in our manufacturing processes and facilities in the future, our financial condition and results of operations may be adversely affected.

Ability to grow our domestic formulations business, particularly in chronic therapeutic category

The chronic therapeutic category, *i.e.* drugs used for treatment of such diseases for an extended treatment as opposed to acute therapeutic category for which the drug is consumed for a shorter or a limited period (typically less than three weeks), has been growing at a CAGR of approximately 10% between Fiscal 2016 and Fiscal 2020, and has outperformed overall domestic formulations market (in terms of consumption), which grew at a CAGR of approximately 8.6% during the same periods. Further,

chronic therapeutic segments are expected to see a higher growth compared to acute therapeutic segment, with chronic segment projected to grow at a CAGR of 16% to 18%, while the acute segment is projected to grow at a CAGR of 11% to 13% between Fiscal 2020 to Fiscal 2025. (*Source: CRISIL Report*) Accordingly, we are focused on developing, manufacturing and commercializing complex generic pharmaceutical products in in the chronic therapeutic category linked to lifestyle related disorders market. Our revenue from the sale of products in the chronic segment (including sub-chronic) amounted to ₹ 1,661.57 million, ₹ 1,573.12 million, ₹ 1,540.02 million, ₹1,231.58 million and ₹ 1,854.29 million in Fiscals 2018, 2019 and 2020, and the nine months ended December 31, 2019 and 2020, respectively.

Our strategy for expansion in the chronic therapeutic category includes developing and manufacturing generic fixed dose combinations, identifying gaps in existing interventions, analyzing patient compliance, and working with customers, doctors and patients through active engagement to develop, manufacture and market new indications which fulfil an unmet need or are clinically differentiated. If we are unable to expand and strengthen our domestic formulations business, it may affect our business, results of operations and financial condition.

Maintaining and enhancing relationships with key CDMO customers

Our revenue from CDMO services and products SBV has historically been derived from a small customer base. In Fiscals 2018, 2019 and 2020, and in the nine months ended December 31, 2019 and 2020, our top 10 customers represented 60.47%, 57.01%, 57.14%, 58.01% and 56.82%, respectively, of our total revenues from operations in such periods. Our largest customer represented 15.27%, 12.33%, 11.65%, 11.36% and 12.13%, respectively, of our total revenues from operations in Fiscals 2018, 2019 and 2020, and in the nine months ended December 31, 2019 and 2020, respectively. Any reduction in orders from our key CDMO customers would adversely affect our income. The demand from our CDMO customers, in particular our top 10 customers, determines our revenue levels and results of operations, and our sales are directly affected by the production and inventory levels of our customers. Our customers in turn are dependent on demand from their customers, as well as general trends in the pharmaceuticals industry.

Although we have various long-term agreements with our CDMO customers, the volume under each contract is subject to change, some-times significantly based on the expected forecast volume required by our customers. As a result, the quantity of the products which we manufacture are dependent upon the demand from our customers for our products. Further, our CDMO agreements impose several contractual obligations upon us and if we are unable to meet these contractual obligations and/ or our customers perceive any deficiency in our service we may face legal liabilities and consequent damage to our reputation which may in-turn adversely impact our business, financial condition and results of operations. In addition, the profit margin for each type of products manufactured by us varies and our production lines will continue to be readjusted according to customers' orders.

Ability to conduct research and development ("R&D")

Our business depends to a significant degree on our ability to successfully conduct R&D with respect to our products. We have invested substantial effort, funds and other resources towards our R&D activities. Our R&D laboratories (which include formulation development, analytical development and chemical research areas) are located at Dehradun Plant - I, and are recognized as an in-house R&D unit by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. The R&D processes are both time consuming and costly, and involve a high degree of business risk. In Fiscals 2018, 2019 and 2020, and the nine months ended December 31, 2019 and 2020, our research and development expenses were ₹ 19.58 million, ₹ 41.87 million, ₹ 38.74 million, ₹ 28.73 million and ₹ 24.94 million, respectively. Our business, financial and operating results have therefore been and will continue to be affected by our ability to continue to launch new complex generic products.

Due to the time it takes to develop a complex generic product and obtain approvals from customers and regulators, the competitive landscape for such products may change or differ significantly from what was anticipated, and our products may not hold the competitive advantages in pricing or efficacy that we had anticipated during development. Our investment in R&D could result in higher costs without a proportionate increase in revenues. In addition, we must adapt to rapid changes in our industry due to technological advances and scientific discoveries. The cost of implementing new technologies, upgrading our manufacturing facilities and retaining our research staff could be significant and could adversely affect our profitability. As of December 31, 2020, we have a team of 40 experts in medical affairs, regulatory affairs, pharmacology and chemical research that works to identify ideas of complex generic products that create value at the end users' level by improving the efficacy, safety and cost of existing generics.

We also intend to foray in the high growth injectables business and propose to utilize ₹ 500.00 million of our Net Proceeds towards purchase of equipment towards capacity expansion of our existing manufacturing facility at Dehradun Plant – IV and setting up of an injectables dosage capability at our existing facility at Dehradun Plant-II. For further information, see "*Our Business – Strategy - Foray into high growth injectables segment*" and "*Objects of the Offer*" on pages 135 and 80, respectively. During the development period of such new products, we will incur costs for raw material related to the development of the product and bio-equivalence studies. We also incur some cost in familiarizing the partners with new products and in educating them on their uses and benefits and provide samples of our new products to the partners. The R&D costs could adversely affect our operating results for a particular period leading to shortfall in resulting revenue. Our investment in R&D for future products could result in higher costs without a proportionate increase in revenues.

Ability to develop generic versions of pharmaceutical formulation going 'off-patent'

We seek to launch generic pharmaceutical products, subject to approval from concerned regulatory authority, either where patent protection or other regulatory exclusivity of equivalent branded products have expired, where patents have been declared invalid or where products do not infringe on the patents of others. Accordingly, our operations are directly related to the expiry of patents for pharmaceutical products. However, the manufacture, use and sale of generic versions of products has been subject to substantial litigation in the pharmaceutical industry which mostly relate to the validity and infringement of patents or proprietary rights of third parties. Our ability to develop marketable generic versions of pharmaceutical formulation going 'off-patent' in a cost effective, efficient and timely manner, and to protect such generic versions from legal challenges, may affect our results of operations.

Regulatory restrictions, including on pricing our products

The development, testing, manufacturing, marketing and sale of pharmaceutical products are subject to extensive regulation in India and other countries. We are required to comply with the regulatory requirements of various local, state, provincial and national regulatory authorities, such as, the state level food and drug administrations ("**FDA**"), the Drugs Controller General of India ("**DCGI**") and Central Drugs Standard Control Organization of India ("**CDSCO**"), and for certain facilities involved in producing products for exports, international regulatory authorities, such as, United States Food and Drug Administration ("**US FDA**"), Food and Drug Administration, Department of Health, Republic of Philippines and Food, Medicine and Healthcare Administration and Control Authority of Ethiopia. We are subject to international and national guidelines and regulations concerning development, testing, manufacturing processes, equipment and facilities, including the WHO GMP as well as the Schedule M of the Drugs and Cosmetic Act, 1940 ("**Schedule M**").

Regulatory authorities impose pricing controls on pharmaceutical products that apply to some of our products as well. For example, the Government of India has been taking various steps in order to control the prices of drugs and make it more affordable to consumers. Currently, prices for approximately 900 to 1,000 scheduled formulations have been fixed so far. The Government's firm stance on pricing even in future might have a negative impact on the profitability for some pharmaceutical players, which are selling branded generics at a high premium price. Due to the drop in realizations of formulations players, margins of contract manufacturing players are reduced as well. Therefore, both the formulation players as well as contract manufacturing players are equally impacted due to the price ceiling imposed by the Government. Further, most of the major drugs under the National List of Essential Medicines ("**NLEM**") 2015 account for approximately 20% of the market and belong to the chronic segment. (*Source: CRISIL Report*) Our or our CDMO customers' ability to freely set prices for products is restricted by government regulation, healthcare legislation and/or pressure from third parties, it could have an adverse effect on our business and results of operations. Also, for our Exports SBV products, the destination countries and markets may impose varying duties and other levies on our products, which may affect our ability to compete with local manufacturers and other competitors with more widespread operations that may enable them to coordinate delivery and supplies from strategically located production facilities in a more cost competitive manner. In addition, due to rising healthcare costs, there may be additional proposals by legislators and regulators to keep costs down in India, which may affect our revenues and have an adverse effect on our business.

Industry competition and consolidation

We are a formulations focused CDMO player in India and our competition in the pharmaceutical manufacturing services market or CDMO services, includes full-service pharmaceutical outsourcing companies; contract manufacturers focusing on a limited number of dosage forms; contract manufacturers providing multiple dosage forms; and large pharmaceutical companies offering third-party manufacturing services to fill their excess capacity. For our Domestic Trade Generics and OTC Brands SBV, we compete with companies in the Indian market based on therapeutic and product categories, and within each category, upon dosage strengths and drug delivery. Further, in global markets, we compete with local companies, multinational corporations and companies from other emerging markets that are engaged in manufacturing and marketing generic pharmaceuticals. In addition, as we grow our Exports SBV, we expect competition from major international generic manufacturers. As a result, our products are exposed to intense competition from products commercialized or under development by competitors in all our therapeutic areas. The increase or decrease of our market share in therapeutic areas on which we focus, changes in our, and our competitors', financial, manufacturing, R&D, marketing and other resources and launch of new products by us, or our competitors, may affect our business, prospects, results of operations and financial condition.

The domestic formulations industry is highly fragmented in terms of both, number of manufacturers and products, with 300 to 400 organised players and approximately 15,000 unorganised players. Contract manufacturing is also characterized by high fragmentation and competition, with large number of organized and unorganized players. As a result, the bargaining power of contract manufacturing players is lowered owing to high competition. Further, consolidation in the CDMO fragmented industry is expected to gain traction due to the need to provide better and wider portfolio of services. (*Source: CRISIL Report*) Accordingly, our competitors may consolidate, and the strength of the combined companies could affect our competitive position in our business areas.

Impact of COVID-19 Pandemic

In March 2020, the World Health Organization declared the global novel coronavirus disease ("**COVID-19**") outbreak a pandemic. While, the COVID-19 pandemic has not had a significant impact on our operations, as we have been able to continue to operate our manufacturing facilities and provide essential services to our customers, the global impact of the outbreak has

been rapidly evolving. Additionally, in an effort to protect the health and safety of our employees and in compliance with state regulations, we have instituted a work-from-home policy for employees who can perform their job functions offsite, implemented social distancing requirements and other measures to allow manufacturing and other personnel essential to production to continue work within our manufacturing facilities.

The full extent to which COVID-19 will directly or indirectly impact our business, financial condition, and results of operations will depend on future developments that are highly uncertain and cannot be accurately predicted, including new information that may emerge concerning COVID-19, the actions taken to contain it or treat its impact and the economic impact on local, regional, national and international markets. We will continue to assess the potential impact of the COVID-19 pandemic on our business, financial condition, and results of operations.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The Restated Consolidated Financial Information include the consolidated financial statement of our Company including the following companies:

Name	Country of Incorporation	Proportion of Ownership of Interest				
		As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019 (proforma)	As at March 31, 2018 (proforma)
Windlas Healthcare Private Limited*	India	-	49.00%	49.00%	49.00%	100.00%
Windlas, Inc.**	United States	100.00%	49.00%	49.00%	49.00%	100.00%
USpharma Windlas LLC***	United States	50.00%	25.00%	25.00%	25.00%	50.00%

** Subsidiary until October 29, 2018 and with effect from April 16, 2020 until April 30, 2020. Thereafter, merged with our Company pursuant to the Scheme of Amalgamation, with effect from May 1, 2020.*
*** Subsidiary until October 29, 2018 and became an Associate with effect from October 30, 2018. Thereafter, became a Subsidiary with effect from April 16, 2020.*
**** Joint Venture until October 29, 2018 and with effect from April 16, 2020.*

For further information, see "*Financial Statements –Significant Accounting Policies – Basis of Preparation and Presentation of Consolidated Financial Statement – (ii) Basis of Consolidation*" on page 193.

Significant accounting judgements, estimates and assumptions

The preparation of our 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 our Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the Restated Consolidated Financial Information.

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.

Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. Our 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.

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, our 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.

Impairment of non-financial assets

Our 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, our 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.

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. Our Company 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, our 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.

Government grants

Our 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. Our 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 our Company. Such changes are reflected in the assumptions when they occur.

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. Our 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

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.

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.

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 our Company’s assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end.

Significant Accounting Policies

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 our Company expects to be entitled in exchange for those goods or services. Our Company collects Goods and Service Tax on behalf of government, and therefore, these are not consideration to which our Company is entitled, hence, these are excluded from revenue. Our 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.

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.

Our 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 goods, our Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

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 our Company and accounted revenue as and when services are rendered on cost plus basis where cost is determined on principles mutually agreed with customers.

Consideration of significant financing component in a contract

Our Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, our 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.

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. Our 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.

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.

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which our Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before our 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 our Company performs under the contract.

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 our 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.

Other Income

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.

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, our 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.

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 our Company and the cost of item can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, our 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 and 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*

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 our 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 our Company expects to derive economic benefits from the use of the assets.

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, our 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 our 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 our 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, our 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 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 our 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, our 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.

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 our Company'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 same components within our 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 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.

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

Our 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 our 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 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 our 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, our 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, our Company may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. Our Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If our 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, our 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 our Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or

- our 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) our Company has transferred the rights to receive cash flows from the financial assets or

  (b) our 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 our Company has transferred an asset, our 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 our 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 our Company has not retained control of the financial asset. Where our 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, our 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);

Our Company follows "simplified approach" for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables;

Under the simplified approach, our 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. Our 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 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, our 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 our 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 our 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, our 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 value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. our 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 our 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, our 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. Our 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 our 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 our 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 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

Our 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. Our Company's senior management determines change in the business model as a result of external or internal changes which are significant to our Company's operations. Such changes are evident to external parties. A change in the business model occurs when our Company either begins or ceases to perform an activity that is significant to its operations. If our 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. Our Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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.

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, our 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 our Company's financial statements as a right-of-use asset and a lease liability.

Lease contracts may contain both lease and non-lease components. Our 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. 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, our 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 our Company is reasonably certain to exercise and excludes the effect of early termination options where our Company is not reasonably certain that it will exercise the option. Minimum lease payments include the cost of a purchase option if our 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.

Our 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 our 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.

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 our 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.

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Income

Our total income comprises (i) revenue from operations, and (ii) other income.

Revenue from Operations

Revenue from operations comprises (i) revenue from contract with customers, including sale of products and exports; and (ii) other operating revenue, such as scrap sales, export incentives, other operating income and sale of services.

Other Income

Other income includes (i) interest income on financial assets measured at amortised cost, others and fixed deposit; (ii) net gain on foreign currency transactions and translation; (iii) gain on investment measured at FVTPL; (iv) miscellaneous income; (v) provision/ miscellaneous balance written back; and (vi) gain on sale of property, plant and equipment.

Expenses

Our expenses comprise (i) cost of materials consumed; (ii) excise duty; (iii) changes in inventories of finished goods, work-in-progress and stock-in-trade; (iv) employee benefits expenses; (v) finance costs; (vi) depreciation, amortisation and impairment expenses; and (vii) other expenses.

Costs of Materials Consumed

Cost of material consumed consists of opening stock, purchases during the year and closing stock. We utilize APIs, excipients, and packaging materials, for manufacture of pharmaceutical products at our manufacturing faciliites.

Excise Duty

Excise duty paid on sale of finished goods.

Changes in Inventories of Finished Goods and Work-In-Progress

Changes in inventories of finished goods, and work in progress comprise net increases or decreases in inventory levels of finished goods and work in progress which primarily consists of purchases of finished pharmaceutical products from our third party manufacturers.

Employee Benefits Expenses

Employee benefits expenses primarily comprises salaries and wages, gratuity expense, contribution to provident and other funds, staff welfare expenses, leave encashment; bonus payments, and Employee State Insurance Corporation expenses .

Finance Costs

Finance cost refers to (i) interest expense on term loans and vehicle loans, working capital loans, lease liability and other borrowing cost; and (ii) bank commission and other charges.

Depreciation, Amortisation and Impairment Expenses

Depreciation and amortization expenses comprises (i) depreciation of property, plant and equipment; (ii) depreciation on right-of-use asset; and (iii) amortisation of intangible assets.

Other Expenses

Other expenses comprises, amongst other things, (i) power and fuel; (ii) commission on sales; (iii) freight and carraige; (iv) research and development expenses; (v) legal and professional fees; (vi) miscellaneous expenses; (vii) assets written off; (viii) repairs on building, machinery and others; (ix) advertisement and publicity; (x) balance written off; (xi) security expenses; (xii) lab testing expenses; (xiii) statutory audit fees; and (xiv) CSR expenses.

NON-GAAP MEASURES

Earnings before Interest, Taxes, Depreciation and Amortization Expenses ("EBITDA")/ EBITDA Margin

EBITDA presented in this Draft Red Herring Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, EBITDA is not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, EBITDA is not a standardised term, hence a direct comparison of EBITDA between companies may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure. Although EBITDA is not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance.

Reconciliation of EBITDA and EBITDA Margin to profit before share of gain/ (loss) in joint venture and associates, exceptional items and tax

The table below reconciles profit before share of gain/ (loss) in joint venture and associates, exceptional items and tax to EBITDA. EBITDA is calculated as profit before share of gain/ (loss) in joint venture and associates, exceptional items and tax plus share of gain/ (loss) in joint venture and associate company, finance costs and depreciation and amortization expenses less other income, while EBITDA Margin is the percentage of EBITDA divided by revenue from operations.

Particulars	Fiscal		
	2018	2019	2020
	(₹ million)		
Profit before share of gain/ (loss) in joint venture and associates, exceptional items and tax	**197.26**	**273.37**	**321.34**
Adjustments:			
Add: Share of gain/ (loss) in joint venture	1.24	(3.17)	-
Add: Share of gain/ (loss) in associate company	-	(4.50)	(74.66)
Add: Finance Costs	64.68	48.38	25.26
Add: Depreciation and Amortization	173.47	105.91	92.93
Less: Other Income	42.07	42.58	24.87
Earnings before interest, taxes, depreciation and amortization expenses (EBITDA) (A)	**394.58**	**377.41**	**340.00**
Revenue from Operations (B)	**3,523.69**	**3,072.67**	**3,288.52**
EBITDA Margin (EBITDA as a percentage of revenue from operations) (A/B)	**11.20%**	**12.28%**	**10.34%**

	Nine months ended December 31,	
	2019	2020
	(₹ million)	
Profit before share of gain/ (loss) in joint venture and associates, exceptional items and tax	**273.21**	**353.05**
Adjustments:		
Add: Share of gain/ (loss) in joint venture	-	-
Add: Share of gain/ (loss) in associate company	(42.69)	(1.73)
Add: Finance Costs	17.42	9.65
Add: Depreciation and Amortization	66.32	96.07
Less: Other Income	19.08	23.01
Earnings before interest, taxes, depreciation and amortization expenses (EBITDA) (A)	**295.18**	**434.03**
Revenue from Operations (B)	**2,548.68**	**3,207.93**
EBITDA Margin (EBITDA as a percentage of revenue from operations) (A/B)	**11.58%**	**13.53%**

RESULTS OF OPERATIONS

NINE MONTHS ENDED DECEMBER 31, 2020 COMPARED TO NINE MONTHS ENDED DECEMBER 31, 2019

Key Developments

- Pursuant to certain share purchase agreements dated April 16, 2020 and April 30, 2020 between our Company, Cadila and Windlas Healthcare, we reacquired Cadila's shareholding in Windlas Healthcare in two tranches, initially 2.00% of the outstanding share capital of Windlas Healthcare (with effect from April 16, 2020), and the remaining 49.00% (with effect from April 30, 2020. Accordingly, in our consolidated financial statements in the nine months ended December 31, 2020, Windlas Healthcare is reflected as (i) an associate company for the period April 1, 2020 to April 15, 2020; (ii) a 51.00% subsidiary for the period April 16, 2020 until April 29, 2020; and (iii) as a 100.00% subsidiary from April 30, 2020 and subsequently, pursuant to a scheme of amalgamation, as a merged entity into our Company with effect from May 1, 2020 until December 31, 2020; and the financial condition and results of operations of Windlas Healthcare are accordingly reflected in such manner in our consolidated financial statements for the nine months ended December 31, 2020. As a result, our results of operations and financial condition for the nine months ended December 31, 2020 are not comparable with the nine months ended December 31, 2019. For further information, see "- *Effect of Business Combinations*" and "*Financial Statements – Note 44: Business Combinations*" on pages 245 and 228, respectively.

The following table sets forth certain information relating to our results of operations for the nine months ended December 31, 2019 and nine months ended December 31, 2020:

Particulars	Nine months ended December 31,			
	2019		2020	
	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income
Income				
Revenue from operations	2,548.68	99.26%	3,207.93	99.29%

Particulars	Nine months ended December 31,			
	2019		2020	
	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income
Other income	19.08	0.74%	23.01	0.71%
Total Income	**2,567.76**	**100.00%**	**3,230.94**	**100.00%**
Expenses				
Cost of materials consumed	1,678.12	65.35%	1,974.28	61.11%
Excise Duty	-	-	-	-
Changes in inventories of finished goods and work-in-progress	(45.65)	(1.78)%	59.24	1.83%
Employee benefit expenses	321.67	12.53%	417.80	12.93%
Finance costs	17.42	0.68%	9.65	0.30%
Depreciation and amortisation expense	66.32	2.58%	96.07	2.97%
Other expenses	256.67	10.00%	320.85	9.93%
Total expenses	**2,294.55**	**89.36%**	**2,877.89**	**89.07%**
Profit before share of gain/ (loss) in joint venture and associates, exceptional items and tax	**273.21**	**10.64%**	**353.05**	**10.93%**
Share of gain/ (loss) in joint venture	-	-	-	-
Share of gain/ (loss) in associate company	**(42.69)**	**(1.66)%**	**(1.73)**	**(0.05)%**
Exceptional Items				
Gain on losing control in subsidiary company	-	-	-	-
Impairment of goodwill	-	-	(272.64)	(8.44)%
Gain on fair valuation of previously held equity interest on acquisition of control in Windlas Healthcare	-	-	56.47	1.75%
Profit before tax	**230.52**	**8.98%**	**135.15**	**4.18%**
Income tax expense				
Current tax	71.75	2.79%	23.33	0.72%
Deferred tax	1.27	0.05%	15.08	0.47%
Total tax expense	**73.02**	**2.84%**	**38.41**	**1.19%**
Profit for the period	**157.50**	**6.13%**	**96.74**	**2.99%**
Profit attributable to owner's	**157.50**	**6.13%**	**99.36**	**3.08%**
Profit attributable to non-controlling interest	-	-	**(2.62)**	**(0.08)%**
Other comprehensive income for the period	**(0.35)**	**(0.01)%**	**(1.86)**	**(0.06)%**
Total comprehensive income for the period	**157.15**	**6.12%**	**94.88**	**2.94%**
Total comprehensive income attributable to owner's	**157.15**	**6.12%**	**97.50**	**3.02%**
Total comprehensive income attributable to non-controlling interest	-	-	**(2.62)**	**(0.08)%**

Income

Total income increased by 25.83% from ₹ 2,567.76 million in the nine months ended December 31, 2019 to ₹ 3,230.94 million in the nine months ended December 31, 2020 primarily due to an increase in revenue from operations.

Revenue from Operations

Revenue from contracts with customers

Revenues from operations increased by 25.87% from ₹ 2,548.68 million in the nine months ended December 31, 2019 to ₹ 3,207.93 million in the nine months ended December 31, 2020, primarily due to an increase in revenue from contracts with customers.

Revenue from contracts with customers increased on account of an increase in sale of products in India by 25.00% from ₹ 2,459.73 million in the nine months ended December 31, 2019 to ₹ 3,074.61 million in the nine months ended December 31, 2020 primarily on account of increase in business driven by our business development team with existing CDMO customers, increase in new products and CDMO customers as well as increase in sale of our products sold under our own brand name in the Domestic Trade Generics and OTC Brands SBV. Revenue from sale of services also increased from ₹ 1.10 million in the nine months ended December 31, 2019 to ₹ 17.63 million in the nine months ended December 31, 2020, as a result of increase in job work done for CDMO customers. The number of domestic CDMO customers that we provided CDMO services to increased from 109 in the nine months ended December 31, 2019 to 171 in the nine months ended December 31, 2020. Further, the number of products in the CDMO Services and Products SBV increased from 955 in the nine months ended December 31, 2019 to 1,143 in the nine months ended December 31, 2020 and the number of brands in the Domestic Trade Generics and OTC Brands SBV increased from 112 in the nine months ended December 31, 2019 to 175 in the nine months ended December 31, 2020. Revenues from CDMO Services and Products SBV increased by 23.12% from ₹ 2,233.68 million in the nine months ended December 31, 2019 to ₹ 2,750.07 million in the nine months ended December 31, 2020, while revenues from Domestic Trade Generics and OTC Brands SBV increased by 43.57% from ₹ 226.05 million in the nine months ended December 31, 2019 to ₹ 324.53 million in the nine months ended December 31, 2020. In addition, our material margin percentage, *i.e.* calculated by dividing margin (which is calculated by deducting cost of goods sold from revenue from operations) by revenue from operations, was 35.95% and 36.61% in the nine months ended December 31, 2019 and 2020, respectively.

In addition, export sales increased by 26.83% from ₹ 84.57 million in the nine months ended December 31, 2019 to ₹ 107.26 million in the nine months ended December 31, 2020 primarily on account of increase in demand from Vietnam, Thailand and Myanmar.

Other Operating Revenue

Other operating revenue increased from ₹ 3.28 million in the nine months ended December 31, 2019 to ₹ 8.43 million in the nine months ended December 31, 2020, primarily due to an increase in an increase in other operating income from ₹ 1.31 million in the nine months ended December 31, 2019 to ₹ 5.63 million in the nine months ended December 31, 2020, as a result of increase in contract development and testing services provided.

Other Income

Other income increased by 20.60% from ₹ 19.08 million in the nine months ended December 31, 2019 to ₹ 23.01 million in the nine months ended December 31, 2020, primarily due to an increase in interest income of fixed deposit caused by availability of surplus funds. The increase was offset by a decrease in fair value gain on instruments designated through FVTPL on account of new investment in mutual funds held for relatively shorter periods.

Expenses

Total expenses increased by 25.42% from ₹ 2,294.55 million in the nine months ended December 31, 2019 to ₹ 2,877.89 million in the nine months ended December 31, 2020, primarily due to an increase in cost of materials consumed, employee benefits expenses, depreciation and amortisation expense, and other expenses.

Cost of Materials Consumed

Cost of materials consumed increased by 17.65% from ₹ 1,678.12 million in the nine months ended December 31, 2019 to ₹ 1,974.28 million in the nine months ended December 31, 2020 primarily due to increase in revenue from operations and changes in product mix.

Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade

Changes in inventories of finished goods, work-in-progress and stock in trade was ₹ 59.24 million in the nine months ended December 31, 2020 compared to ₹ (45.65) million in the nine months ended December 31, 2019 on account of higher opening stock for the nine months ended December 31, 2020 due to the COVID-19 pandemic.

Employee Benefit Expenses

Employee benefit expenses increased by 29.88% from ₹ 321.67 million in the nine months ended December 31, 2019 to ₹ 417.80 million in the nine months ended December 31, 2020, primarily due to an increase in salaries and wages, by 31.83% from ₹ 299.28 million in the nine months ended December 31, 2019 to ₹ 394.55 million in the nine months ended December 31, 2020 on account of appointment of certain key positions including business development head and chief operating officer and increase in the number of additional sales personnel as well as increase in number of employees due to the acquisition of and subsequent merger with Windlas Healthcare. The number of employees increased from 611 as of December 31, 2019 to 954 as of December 31, 2020.

Finance Costs

Finance costs decreased by 44.60% from ₹ 17.42 million in the nine months ended December 31, 2019 to ₹ 9.65 million in the nine months ended December 31, 2020 due to a decrease in interest on term loans and vehicle loans by 68.06% from ₹ 6.67 million in the nine months ended December 31, 2019 to ₹ 2.13 million in the nine months ended December 31, 2020, as a result of reduction in borrowings due to repayment of long-term loans and increased availability of internal accruals. Working capital interest also decreased by 31.56% from ₹ 9.38 million in the nine months ended December 31, 2019 to ₹ 6.42 million in the nine months ended December 31, 2020.

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses increased by 44.86% from ₹ 66.32 million in the nine months ended December 31, 2019 to ₹ 96.07 million in the nine months ended December 31, 2020, primarily due to an increase in depreciation of property, plant and equipment, by 46.70% from ₹ 59.33 million in the nine months ended December 31, 2019 to ₹ 87.04 million in the nine months ended December 31, 2020 on account of increase in the number of assets due to the acquisition of and subsequent merger with Windlas Healthcare.

Other Expenses

Other expenses increased by 25.00% from ₹ 256.67 million in the nine months ended December 31, 2019 to ₹ 320.85 million in the nine months ended December 31, 2020, primarily due to:

- Power and fuel increased by 42.09% from ₹ 63.56 million in the nine months ended December 31, 2019 to ₹ 90.31 million in the nine months ended December 31, 2020 on account of higher production levels and the acquisition of and subsequent merger with Windlas Healthcare.

- Legal and professional fees increased by 38.51% from ₹ 15.06 million in the nine months ended December 31, 2019 to ₹ 20.86 million in the nine months ended December 31, 2020 primarily on account of due diligence and other related expenses in relation to the acquisition of and subsequent merger with Windlas Healthcare.

- Freight and carriage increased by 55.23% from ₹ 17.78 million in the nine months ended December 31, 2019 to ₹ 27.60 million in the nine months ended December 31, 2020 on account of increase in overall logistics cost on account of the COVID-19 pandemic.

- Repairs – machinery increased from ₹ 5.33 million in the nine months ended December 31, 2019 to ₹ 16.68 million in the nine months ended December 31, 2020 on account of higher maintenance charges caused by higher production levels.

- Rates and taxes increased from nil in the nine months ended December 31, 2019 to ₹ 3.97 million in the nine months ended December 31, 2020 on account of custom duty expenses and certain other government regulatory expenses.

These increases were partly offset by:

- A decrease in travelling expenses by 76.87% from ₹ 10.03 million in the nine months ended December 31, 2019 to ₹ 2.32 million in the nine months ended December 31, 2020 on account of the operating restrictions/ lockdown imposed due to the COVID-19 pandemic.

- A decrease in commission on sales by 23.50% from ₹ 46.97 million in the nine months ended December 31, 2019 to ₹ 35.93 million in the nine months ended December 31, 2020 on account of change in product mix.

- A decrease in research and development expenses by 13.19% from ₹ 28.73 million in the nine months ended December 31, 2019 to ₹ 24.94 million in the nine months ended December 31, 2020 on account of change in product mix in developed products with lower development costs.

Profit before share of gain/ (loss) in joint venture and associates, exceptional items and tax

For the reasons discussed above, profit before share of gain/ (loss) in joint venture and associates, exceptional items and tax was ₹ 353.05 million in the nine months ended December 31, 2020 compared to ₹ 273.21 million in the nine months ended December 31, 2019.

Exceptional Items

Exceptional items included:

i) impairment of goodwill which was ₹ 272.64 million in the nine months ended December 31, 2020 which was created on the acquisition of Windlas Healthcare by our Company with effect from April 16, 2020. The said acquisition was tested for impairment on December 31, 2020 and post such impairment testing, it was determined that the fair value of goodwill is less than the carrying amount. Consequently, our Company recorded an impairment loss of the complete amount and hence, the carrying amount of goodwill has been reduced to nil as on December 31, 2020; and

ii) gain on fair valuation of previously held equity interest on acquisition of control in Windlas Healthcare which amounted to ₹ 56.47 million in the nine months ended December 31, 2020. For further information, see "- *Effect of Business Combinations*" and "*Financial Statements – Note 44: Business Combinations*" on pages 245 and 228, respectively.

Profit Before Tax

For the reasons discussed above, profit before tax was ₹ 135.15 million in the nine months ended December 31, 2020 compared to ₹ 230.52 million in the nine months ended December 31, 2019.

Income Tax Expense/ Credit

Current tax expenses decreased from ₹ 71.75 million in the nine months ended December 31, 2019 to ₹ 23.33 million in the nine months ended December 31, 2020, primarily on account of unabsorbed depreciation benefit from the acquisition of and subsequent merger with Windlas Healthcare. Deferred tax expenses increased from ₹ 1.27 million in the nine months ended December 31, 2019 to ₹ 15.08 million in the nine months ended December 31, 2020, due to merger with Windlas Healthcare. As a result, total tax expense amounted to ₹ 38.41 million in the nine months ended December 31, 2020 compared to ₹ 73.02 million in the nine months ended December 31, 2019.

Profit for the Period

For the various reasons discussed above, we recorded a profit for the period of ₹ 99.74 million in the nine months ended December 31, 2020 compared to ₹ 157.50 million in the nine months ended December 31, 2019.

Total Comprehensive Income for the Period

Total comprehensive income for the period was ₹ 94.88 million in the nine months ended December 31, 2020 compared to ₹ 157.15 million in the nine months ended December 31, 2019.

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA was ₹ 434.03 million in the nine months ended December 31, 2020 compared to EBITDA of ₹ 295.18 million in the nine months ended December 31, 2019, while EBITDA margin (EBITDA as a percentage of our revenue from operations) was 13.53% in the nine months ended December 31, 2020 compared to 11.58% in the nine months ended December 31, 2019.

FISCALS 2018, 2019 AND 2020

Key Developments

- Until October 28, 2018, Windlas Healthcare was a wholly owned subsidiary of our Company. Pursuant to a share purchase agreement dated August 13, 2018 with Cadila, our Company's shareholding in Windlas Healthcare was reduced to 49.00%, with effect from October 29, 2018. Consequently, with effect from such date, Windlas Healthcare was reflected as an associate of our Company and its financial results were accordingly consolidated as those of an associate company in our audited consolidated financial statements. As a result of such divestment of the shareholding in Windlas Healthcare, our results of operations and financial condition for Fiscals 2018, 2019 and 2020 are not comparable to each other. For further information, see "- *Presentation of Financial Information - Divestment, Reacquisition and Amalgamation of Windlas Healthcare*" and "*Financial Statements – Note 44: Business Combinations*" on pages 237 and 228, respectively.

The following table sets forth certain information with respect to our results of operations on a consolidated basis for Fiscal 2018, 2019 and 2020:

Particulars	Fiscal					
	2018 (proforma)		2019 (proforma)		2020	
	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income
Income						
Revenue from operations	3,523.69	98.82%	3,072.67	98.63%	3,288.52	99.25%
Other income	42.07	1.18%	42.58	1.37%	24.87	0.75%
Total Income	**3,565.76**	**100.00%**	**3,115.25**	**100.00%**	**3,313.39**	**100.00%**
Expenses						
Cost of materials consumed	2,345.53	65.78%	1,882.69	60.43%	2,243.47	67.71%
Excise Duty	1.64	0.05%	-	-	-	-
Changes in inventories of finished goods and work-in-progress	23.49	0.66%	36.54	1.17%	(127.50)	-3.85%
Employee benefit expenses	445.44	12.49%	429.58	13.79%	435.73	13.15%
Finance costs	64.68	1.81%	48.38	1.55%	25.26	0.76%
Depreciation and amortisation expense	173.47	4.86%	105.91	3.40%	92.93	2.80%
Other expenses	314.25	8.81%	338.78	10.87%	322.16	9.72%
Total expenses	**3,368.50**	**94.47%**	**2,841.88**	**91.22%**	**2,992.05**	**90.30%**
Profit before share of gain/ (loss) in joint venture and associates, exceptional items and tax	**197.26**	**5.53%**	**273.37**	**8.78%**	**321.34**	**9.70%**
Share of gain/ (loss) in joint venture	1.24	0.03%	(3.17)	(0.10)%	-	-
Share of gain/ (loss) in associate company	-	-	(4.50)	(0.14)%	(74.66)	-2.25%
Exceptional Items						
Gain on losing control in subsidiary company	-	-	495.45	15.90%	-	-
Impairment of goodwill	-	-	-	-	-	-
Gain on fair valuation of previously held equity interest on acquisition of control in Windlas Healthcare	-	-	-	-	-	-
Profit before tax	**198.50**	**5.57%**	**761.15**	**24.43%**	**246.68**	**7.44%**
Income tax expense						
Current tax	98.07	2.75%	120.08	3.85%	85.73	2.59%
Deferred tax	(11.55)	(0.32)%	2.85	0.09%	(1.18)	-0.04%
Total tax expense	**86.52**	**2.43%**	**122.93**	**3.95%**	**84.55**	**2.55%**
Profit for the year	**111.98**	**3.14%**	**638.22**	**20.49%**	**162.13**	**4.89%**
Profit attributable to owner's	**111.98**	**3.14%**	**638.22**	**20.49%**	**162.13**	**4.89%**
Profit attributable to non-controlling interest	-	-	-	-	-	-
Other comprehensive income for the year	**(0.24)**	**(0.01)%**	**(1.05)**	**(0.03)%**	**(2.12)**	**-0.06%**

Particulars	Fiscal					
	2018 (proforma)		2019 (proforma)		2020	
	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income
Total comprehensive income for the year	**111.74**	**3.13%**	**637.17**	**20.45%**	**160.01**	**4.83%**
Total comprehensive income attributable to owner's	**111.74**	**3.13%**	**637.17**	**20.45%**	**160.01**	**4.83%**
Total comprehensive income attributable to non-controlling interest	-	-	-	-	-	-

FISCAL 2020 COMPARED TO FISCAL 2019

Income

Total income increased by 6.36% from ₹ 3,115.25 million in Fiscal 2019 to ₹ 3,313.39 million in Fiscal 2020 primarily due to an increase in revenue from operations.

Revenue from Operations

Revenue from contracts with customers

Revenues from operations increased by 7.02% from ₹ 3,072.67 million in Fiscal 2019 to ₹ 3,288.52 million in Fiscal 2020, primarily due to an increase in revenue from contracts with customers.

Revenue from contracts with customers increased on account of an increase in sale of products in India by 11.64% from ₹ 2,844.28 million in Fiscal 2019 to ₹ 3,175.45 million in Fiscal 2020 primarily on account of increase in business driven by our business development team with existing CDMO customers, increase in new products and CDMO customers as well as increase in sale of our products sold under our own brand name in the Domestic Trade Generics and OTC Brands SBV. Revenues from CDMO Services and Products SBV increased by 11.67% from ₹ 2,572.62 million in Fiscal 2019 to ₹ 2,872.94 million in Fiscal 2020. In addition, revenues from Domestic Trade Generics and OTC Brands SBV increased by 11.35% from ₹ 271.66 million in Fiscal 2019 to ₹ 302.50 million in Fiscal 2020. In addition, our material margin percentage, *i.e.* calculated by dividing margin (which is calculated by deducting cost of goods sold from revenue from operations) by revenue from operations, was 37.54% and 35.66% in Fiscals 2019 and 2020, respectively.

This increase was offset by a decrease in export sales by 41.36% from ₹ 182.25 million in Fiscal 2019 to ₹ 106.88 million in Fiscal 2020, and in sale of services by 92.44% from ₹ 26.07 million in Fiscal 2019 to ₹ 1.97 million in Fiscal 2020 primarily on account of export sales and sale of services of Windlas Healthcare not being accounted for in Fiscal 2020 due to the acquisition by Cadila of 51% equity shareholding of Windlas Healthcare with effect from October 29, 2018 and Windlas Healthcare becoming an associate of our Company.

Other Operating Revenue

Other operating revenue significantly decreased by 78.97% from ₹ 20.07 million in Fiscal 2019 to ₹ 4.22 million in Fiscal 2020 primarily due to a decrease in other operating income by 86.40% from ₹ 12.28 million in Fiscal 2019 to ₹ 1.67 million in Fiscal 2020, as a result of reduction in contract development and testing services provided. Export incentive also decreased by 64.54% from ₹ 5.64 million in Fiscal 2019 to ₹ 2.00 million in Fiscal 2020, as a result of decrease in export sales.

Other Income

Other income significantly decreased by 41.59% from ₹ 42.58 million in Fiscal 2019 to ₹ 24.87 million in Fiscal 2020, primarily due to a decrease in provision/ miscellaneous balance written back from ₹ 16.87 million in Fiscal 2019 to nil in Fiscal 2020. The decrease was offset by an increase in interest income on fixed deposit from ₹ 3.95 million in Fiscal 2019 to ₹ 9.31 million in Fiscal 2020 on account of availability of higher internal accruals which was invested in fixed deposits.

Expenses

Total expenses increased by 5.28% from ₹ 2,841.88 million in Fiscal 2019 to ₹ 2,992.05 million in Fiscal 2020, primarily due to an increase in cost of materials consumed.

Cost of Materials Consumed

Cost of materials consumed increased by 19.16% from ₹ 1,882.69 million in Fiscal 2019 to ₹ 2,243.47 million in Fiscal 2020 primarily due to increase in inventories at end of Fiscal 2020 due to the COVID-19 pandemic and changes in product mix.

Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade

Changes in inventories of finished goods, work-in-progress and stock in trade was ₹ (127.50) million in Fiscal 2020 compared to ₹ 36.54 million in Fiscal 2019 primarily due to inventories held at the end of Fiscal 2020 on account of the COVID-19 pandemic.

Employee Benefits Expenses

Employee benefits expenses marginally increased by 1.43% from ₹ 429.58 million in Fiscal 2019 to ₹ 435.73 million in Fiscal 2020, primarily due to increase in increments. Contribution to provident and other funds increased by 9.03% from ₹ 22.93 million in Fiscal 2019 to ₹ 25.00 million in Fiscal 2020. Gratuity expenses also increased by 22.10% from ₹ 2.85 million in Fiscal 2019 to ₹ 3.48 million in Fiscal 2020. Salaries and wages also marginally increased by 0.98% from ₹ 400.49 million in Fiscal 2019 to ₹ 404.42 million in Fiscal 2020. This increase was offset by a marginal decrease in staff welfare expenses by 14.50% from ₹ 3.31 million in Fiscal 2019 to ₹ 2.83 million in Fiscal 2020. Further, the number of employees decreased from 728 as of March 31, 2019 to 720 as of March 31, 2020.

Finance Costs

Finance costs significantly decreased by 47.79% from ₹ 48.38 million in Fiscal 2019 to ₹ 25.26 million in Fiscal 2020 due to a decrease in interest on term loans and vehicle loans by 61.46% from ₹ 20.86 million in Fiscal 2019 to ₹ 8.04 million in Fiscal 2020 on account of repayment of loans through internal accruals. Interest on working capital loans also decreased by 31.10% from ₹ 17.43 million in Fiscal 2019 to ₹ 12.01 million in Fiscal 2020, due to relatively lower bank charges based on number of transactions and utilization of internal accruals for working capital requirements.

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses decreased by 12.26% from ₹ 105.91 million in Fiscal 2019 to ₹ 92.93 million in Fiscal 2020, primarily due to a decrease in depreciation of property, plant and equipment, by 12.40% from ₹ 95.40 million in Fiscal 2019 to ₹ 83.57 million in Fiscal 2020 on account of depreciation of assets of Windlas Healthcare not being accounted for in Fiscal 2020 due to the acquisition by Cadila of 51% equity shareholding of Windlas Healthcare with effect from October 29, 2018 and Windlas Healthcare becoming an associate of our Company.

Other Expenses

Other expenses decreased by 4.91% from ₹ 338.78 million in Fiscal 2019 to ₹ 322.16 million in Fiscal 2020, primarily due to an decrease in:

- Legal and professional fees that significantly decreased by 74.62% from ₹ 73.84 million in Fiscal 2019 to ₹ 18.74 million in Fiscal 2020 due to one-time payment to a consultant in relation to the acquisition of 51% of the total equity shares of Windlas Healthcare by Cadila in Fiscal 2019;

- Repair - machinery expenses that decreased by 47.90% from ₹ 14.05 million in Fiscal 2019 to ₹ 7.32 million in Fiscal 2020 due to higher maintenance undertaken in Fiscal 2019 compared to Fiscal 2020; and

- Research and development expenses that decreased by 7.48% from ₹ 41.87 million in Fiscal 2019 to ₹ 38.74 million in Fiscal 2020 due to changes in product mix for products developed.

These decreases were substantially offset by an increase in:

- Commission on sales by 71.91% from ₹ 30.01 million in Fiscal 2019 to ₹ 51.59 million in Fiscal 2020 on account of increase in revenue from operations;

- Power and fuel expenses by 10.51% from ₹ 72.79 million in Fiscal 2019 to ₹ 80.44 million in Fiscal 2020 on account of increase in production;

- Lab testing expenses from ₹ 4.17 million in Fiscal 2019 to ₹ 11.24 million in Fiscal 2020 on account of increase in sale of products; and

- Advertisement and publicity expenses from ₹ 1.06 million in Fiscal 2019 to ₹ 8.87 million in Fiscal 2020 on account of increase in marketing expenses for products sold under our own brands.

Profit before share of gain/ (loss) in joint venture and associates, exceptional items and tax

For the reasons discussed above, profit before share of gain/ (loss) in joint venture and associates, exceptional items and tax was ₹ 321.34 million in Fiscal 2020 compared to ₹ 273.37 million in Fiscal 2019.

Exceptional Items

Exceptional items included gain on losing control in a subsidiary amounted to ₹ 495.45 million in Fiscal 2019 on account of the acquisition of 51% of the total equity shares of Windlas Healthcare by Cadila in Fiscal 2019, pursuant to which Windlas Healthcare became an associate of our Company. After considering the loss of Windlas Healthcare until October 29, 2018 amounting to ₹ 91.62 million, the net assets of Windlas Healthcare amounting to ₹ 523.02 million were derecognised and investment in associate to the extent of share of our Company representing 49% equity shareholding, amounting to ₹ 1,018.47 million has been recognised. Consequently, the gain on loss of control of ₹ 495.45 million has been recognised in statement of profit and loss as an exceptional item. For further information, see "- *Effect of Business Combinations*" and "*Financial Statements – Note 44: Business Combinations*" on pages 245 and 228, respectively.

Profit Before Tax

For the reasons discussed above, profit before tax was ₹ 246.68 million in Fiscal 2020 compared to ₹ 761.15 million in Fiscal 2019.

Income Tax Expense/ Credit

Current tax expenses increased from ₹ 120.08 million in Fiscal 2019 to ₹ 85.73 million in Fiscal 2020, primarily on account of profit before tax. Deferred tax expenses decreased from ₹ 2.85 million in Fiscal 2019 to ₹ (1.18) million in Fiscal 2020, due to lower tax rate in Fiscal 2020. As a result, total tax expense amounted to ₹ 84.55 million in Fiscal 2020 compared to ₹ 122.93 million in Fiscal 2019.

Profit for the Year

For the various reasons discussed above, we recorded a restated profit for the year of ₹ 162.13 million in Fiscal 2020 compared to ₹ 638.22 million in Fiscal 2019.

Total Comprehensive Income for the Year

Total comprehensive income for the year was ₹ 160.01 million in Fiscal 2020 compared to ₹ 637.17 million in Fiscal 2019.

Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)

EBITDA was ₹ 340.00 million in Fiscal 2020 compared to EBITDA of ₹ 377.41 million in Fiscal 2019, while EBITDA margin (EBITDA as a percentage of our revenue from operations) was 10.34% in Fiscal 2020 compared to 12.28% in Fiscal 2019.

FISCAL 2019 COMPARED TO FISCAL 2018

Income

Total income decreased by 12.63% from ₹ 3,565.76 million in Fiscal 2018 to ₹ 3,115.25 million in Fiscal 2019 primarily due to a decrease in revenue from operations.

Revenue from Operations

Revenue from contracts with customers

Revenues from operations decreased by 12.80% from ₹ 3,523.69 million in Fiscal 2018 to ₹ 3,072.67 million in Fiscal 2019, primarily due to a decrease in revenue from contracts with customers.

Revenue from contracts with customers decreased on account of a decrease sale of products in India by 10.03% from ₹ 3,161.42 million in Fiscal 2018 to ₹ 2,844.28 million in Fiscal 2019 primarily on account of strategic decision undertaken by our management to reduce the sale of products with lower margins in Fiscal 2019 which resulted in a decrease in the total volume of sale of our CDMO products. Our material margin percentage, *i.e.* calculated by dividing margin (which is calculated by deducting cost of goods sold from revenue from operations) by revenue from operations, increased from 32.72% in Fiscal 2018 to and 37.54% in Fiscal 2019. Revenues from CDMO Services and Products SBV decreased by 14.00% from ₹ 2,991.53 million in Fiscal 2018 to ₹ 2,572.62 million in Fiscal 2019, while revenues from Domestic Trade Generics and OTC Brands SBV increased by 59.90% from ₹ 169.89 million in Fiscal 2018 to ₹ 271.66 million in Fiscal 2019.

Export sales also decreased by 13.51% from ₹ 210.73 million in Fiscal 2018 to ₹ 182.25 million in Fiscal 2019 primarily on account of reduction in sale of products to export markets. In addition, sale of services also decreased by 81.84% from ₹ 143.55 million in Fiscal 2018 to ₹ 26.07 million in Fiscal 2019 primarily on account of sale of services of Windlas Healthcare not being accounted for the full year in Fiscal 2019 due to the acquisition by Cadila of 51.00% equity shareholding of Windlas Healthcare with effect from October 29, 2018 and Windlas Healthcare becoming an associate of our Company.

Other Operating Revenue

Other operating revenue significantly increased from ₹ 7.99 million in Fiscal 2018 to ₹ 20.07 million in Fiscal 2019 primarily due to an increase in other operating income from ₹ 5.33 million in Fiscal 2018 to ₹ 12.28 million in Fiscal 2019 on account of increase in contract development and testing services, and export incentives from ₹ 2.15 million in Fiscal 2018 to ₹ 5.64 million in Fiscal 2019.

Other Income

Other income marginally increased by 1.21% from ₹ 42.07 million in Fiscal 2018 to ₹ 42.58 million in Fiscal 2019, primarily due to an increase in provision/ miscellaneous balance written back by 30.17% from ₹ 12.96 million in Fiscal 2018 to ₹ 16.87 million in Fiscal 2019. This increase was offset by a decrease in gain on investments measured at FVTPL (including actual gain on sale of investments) by 23.42% from ₹ 19.81 million in Fiscal 2018 to ₹ 15.17 million in Fiscal 2019.

Expenses

Total expenses decreased by 15.63% from ₹ 3,368.50 million in Fiscal 2018 to ₹ 2,841.88 million in Fiscal 2019, primarily due to a decrease in cost of materials consumed, employee benefits expenses, finance costs and depreciation, amortisation and impairment expenses.

Cost of Materials Consumed

Cost of materials consumed decreased by 19.73% from ₹ 2,345.53 million in Fiscal 2018 to ₹ 1,882.69 million in Fiscal 2019 primarily due to the strategic decision undertaken by our management to reduce the sale of products with lower margins in Fiscal 2019 resulting in a decrease in the volume of materials consumed.

Changes in Inventories of Finished Goods and Work-in-progress

Changes in inventories of finished goods and work-in-progress was ₹ 36.54 million in Fiscal 2019 compared to ₹ 23.49 million in Fiscal 2018 primarily due to increased stock for Domestic Trade Generics and OTC Brands SBV products with distributors/ stockists.

Excise Duty on Sale of Goods

Excise duty on sale of goods amounted to ₹ 1.64 million in Fiscal 2018 on account of the implementation of Goods and Services tax with effect from July 1, 2017.

Employee Benefits Expenses

Employee benefits expenses decreased by 3.56% from ₹ 445.44 million in Fiscal 2018 to ₹ 429.58 million in Fiscal 2019, primarily due to a decrease in number of employees from 1,132 as of March 31, 2018 to 728 as of March 31, 2019 on account of Windlas Healthcare becoming an associate of our Company. Salaries and wages also decreased by 3.32% from ₹ 414.25 million in Fiscal 2018 to ₹ 400.49 million in Fiscal 2019 on account of a reduction in production and revenue from operations resulting in a decrease in manpower. Gratuity expenses also decreased by 34.63% from ₹ 4.36 million in Fiscal 2018 to ₹ 2.85 million in Fiscal 2019 and staff welfare expenses decreased by 12.43% from ₹ 3.78 million in Fiscal 2018 to ₹ 3.31 million in Fiscal 2019 primarily on account of staff welfare expenses of Windlas Healthcare not being accounted for the full year in Fiscal 2019 due to the acquisition by Cadila of 51% equity shareholding of Windlas Healthcare with effect from October 29, 2018 and Windlas Healthcare becoming an associate of our Company.

Finance Costs

Finance costs decreased by 25.20% from ₹ 64.68 million in Fiscal 2018 to ₹ 48.38 million in Fiscal 2019 primarily due to a decrease in interest on term loans and vehicle loans by 35.78% from ₹ 32.48 million in Fiscal 2018 to ₹ 20.86 million in Fiscal 2019, due to primarily on account of repayment of loans and loans and interest of Windlas Healthcare not being accounted for the full year in Fiscal 2019 due to the acquisition by Cadila of 51% equity shareholding of Windlas Healthcare with effect from October 29, 2018 and Windlas Healthcare becoming an associate of our Company. Interest on working capital loans also decreased by 40.91% from ₹ 29.50 million in Fiscal 2018 to ₹ 17.43 million in Fiscal 2019, due to increase in utilization of internal accruals for working capital purposes. This decrease was offset by an increase in other borrowing cost from ₹ 0.39 million in Fiscal 2018 to ₹ 8.13 million in Fiscal 2019.

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses decreased by 38.95% from ₹ 173.47 million in Fiscal 2018 to ₹ 105.91 million in Fiscal 2019, primarily due to a decrease in depreciation of property, plant and equipment, from ₹ 158.67 million in Fiscal 2018 to ₹ 95.40 million in Fiscal 2019 primarily on account of depreciation of assets of Windlas Healthcare not being accounted for the full year in Fiscal 2019 due to the acquisition by Cadila of 51% equity shareholding of Windlas Healthcare with effect from October 29, 2018 and Windlas Healthcare becoming an associate of our Company

Other Expenses

Other expenses increased by 7.81% from ₹ 314.25 million in Fiscal 2018 to ₹ 338.78 million in Fiscal 2019, primarily due to an increase in:

- Legal and professional fees from ₹ 22.27 million in Fiscal 2018 to ₹ 73.84 million in Fiscal 2019 due to one-time payment to a consultant in relation to the acquisition of 51% of the total equity shares of Windlas Healthcare by Cadila in Fiscal 2019;
- Research and development expenses from ₹ 19.58 million in Fiscal 2018 to ₹ 41.87 million in Fiscal 2019 due to increase in development of products; and
- Miscellaneous expenses by 9.81% from ₹ 15.90 million in Fiscal 2018 to ₹ 17.46 million in Fiscal 2019 due to exchange rate fluctuations and increase in registration expenses for products.

This was partially offset by a decrease in:

- Lab testing expenses by 78.14% from ₹ 19.08 million in Fiscal 2018 to ₹ 4.17 million in Fiscal 2019 due to an increase in in-house lab testing instead of third-party lab testing;
- Balance written off from ₹ 15.75 million in Fiscal 2018 to nil in Fiscal 2019; and
- Commission on sales by 11.68% from ₹ 33.98 million in Fiscal 2018 to ₹ 30.01 million in Fiscal 2019 due to reduction in sales.

Profit before share of gain/ (loss) in joint venture and associates, exceptional items and tax

For the reasons discussed above, profit before share of gain/ (loss) in joint venture and associates, exceptional items and tax was ₹ 273.37 million in Fiscal 2019 compared to ₹ 197.26 million in Fiscal 2018.

Exceptional Items

Exceptional items included gain on losing control in a subsidiary amounted to ₹ 495.45 million in Fiscal 2019 on account of the acquisition of 51% of the total equity shares of Windlas Healthcare by Cadila in Fiscal 2019, pursuant to which Windlas Healthcare became an associate of our Company. After considering the loss of Windlas Healthcare until October 29, 2018 amounting to ₹ 91.62 million, the net assets of Windlas Healthcare amounting to ₹ 523.02 million were derecognised and investment in associate to the extent of share of our Company representing 49% equity shareholding, amounting to ₹ 1,018.47 million has been recognised. Consequently, the gain on loss of control of ₹ 495.45 million has been recognised in statement of profit and loss as an exceptional item. For further information, see "- *Effect of Business Combinations*" and "*Financial Statements – Note 44: Business Combinations*" on pages 245 and 228, respectively.

Profit Before Tax

For the reasons discussed above, profit before tax was ₹ 761.15 million in Fiscal 2019 compared to ₹ 198.50 million in Fiscal 2018.

Income Tax Expense/ Credit

Current tax expenses increased from ₹ 98.07 million in Fiscal 2018 to ₹ 120.08 million in Fiscal 2019, primarily on account of increase profit before tax. Deferred tax expenses increased from ₹ (11.55) million in Fiscal 2018 to ₹ 2.85 million in Fiscal 2019 due to increase in the amount of mutual fund fair value and change in depreciation method from written-down value to straight-line method. As a result, total tax expense amounted to ₹ 122.93 million in Fiscal 2019 compared to ₹ 86.52 million in Fiscal 2018.

Profit for the Year

For the various reasons discussed above, we recorded a profit for the year of ₹ 638.22 million in Fiscal 2019 compared to ₹ 111.98 million in Fiscal 2018.

Total Comprehensive Income for the Year

Total comprehensive income for the year was ₹ 637.17 million in Fiscal 2019 compared to ₹ 111.74 million in Fiscal 2018.

Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)

EBITDA was ₹ 377.41 million in Fiscal 2019 compared to EBITDA of ₹ 394.58 million in Fiscal 2018, while EBITDA margin (EBITDA as a percentage of our revenue from operations) was 12.28% in Fiscal 2019 compared to 11.20% in Fiscal 2018.

LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations primarily through debt financing and funds generated from our operations. From time to time, we may obtain loan facilities to finance our short term working capital requirements.

CASH FLOWS

The following table sets forth certain information relating to our cash flows in the periods indicated:

Particulars	Fiscal			Nine months ended December 31,	
	2018	2019	2020	2019	2020
	(₹ million)				
Net cash flow from operations **(A)**	348.79	186.54	250.06	280.45	165.49
Net cash used in investing activities **(B)**	(109.93)	(52.74)	(143.41)	(262.94)	(310.39)
Net cash flow from/ (used in) financing activities **(C)**	(260.50)	(62.26)	(54.42)	(115.14)	(65.37)
Net increase/ (decrease) in cash and cash equivalents **(A+B+C)**	(21.64)	71.54	52.23	(97.63)	(210.27)
Cash and cash equivalents at the beginning of the period/ year	93.59	71.95	128.55	128.55	180.78
Cash acquired on acquisition of subsidiary	-	-	-	-	58.19
Cash and cash equivalents at the closing of the period/ year	71.95	128.55	180.78	30.92	28.70

Operating Activities

Nine months ended December 31, 2020

In the nine months ended December 31, 2020, net cash flow from operations was ₹ 165.49 million. Profit before tax was ₹ 135.15 million in the nine months ended December 31, 2020 and the share of loss in associate amounted to ₹ 1.73 million in the nine months ended December 31, 2020, and adjustments for primarily consisted of impairment of goodwill (exceptional items) of ₹ 272.64 million, depreciation and amortization expenses of ₹ 96.07 million, and gain on fair value of previously held equity interest on acquisition of control in Windlas Healthcare (exceptional items) of ₹ 56.47 million. Operating profit before working capital changes was ₹ 467.16 million in the nine months ended December 31, 2020. The main working capital adjustments in the nine months ended December 31, 2020, included an increase in other financial liabilities of ₹ 69.59 million, decrease in inventories of ₹ 47.60 million on account of higher inventories at the end of Fiscal 2020 on account of the COVID-19 pandemic, and decrease in other current assets of ₹ 46.10 million. This was significantly offset by an increase in trade receivables of ₹ 295.69 million on account of increase in sale of products and decrease in trade payables of ₹ 121.62 million. Cash generated from operations in the nine months ended December 31, 2020 amounted to ₹ 192.89 million. Income taxes paid amounted to ₹ 27.40 million in the nine months ended December 31, 2020.

Nine months ended December 31, 2019

In the nine months ended December 31, 2019, net cash flow from operations was ₹ 280.45 million. Profit before tax was ₹ 230.52 million in the nine months ended December 31, 2019 and the share of loss in associate amounted to ₹ 41.48 million in the nine months ended December 31, 2019, and adjustments for primarily consisted of depreciation and amortization expenses of ₹ 66.32 million, interest expense on borrowings of ₹ 16.20 million and gain on investments measured at FVTPL (net) of ₹ 11.07 million. Operating profit before working capital changes was ₹ 341.84 million in the nine months ended December 31, 2019. The main working capital adjustments in the nine months ended December 31, 2019, included an increase in trade payables of ₹ 291.63 million on account of on account of increase in purchases made during the period for maintaining higher inventory levels and increase in sales, and decrease in other financial liabilities of ₹ 57.29 million. This was significantly offset by an increase in trade receivables of ₹ 145.98 million on account of increase in sale of products, and increase in inventories of ₹ 121.36 million on account of increase in inventory levels maintained for increased sales. Cash generated from operations in the nine months ended December 31, 2019 amounted to ₹ 405.27 million. Income taxes paid amounted to ₹ 124.82 million in the nine months ended December 31, 2019.

Fiscal 2020

In Fiscal 2020, net cash flow from operations was ₹ 250.06 million. Profit before tax was ₹ 246.68 million in Fiscal 2020 and the share of loss in associate amounted to ₹ 74.50 million in Fiscal 2020, and adjustments for primarily consisted of depreciation and amortization expenses of ₹ 92.93 million, interest expense on borrowings of ₹ 23.68 million and gain on investments measured at FVTPL (net) of ₹ 13.80 million. Operating profit before working capital changes was ₹ 419.62 million in Fiscal 2020. The main working capital adjustments in Fiscal 2020, included an increase in trade payables of ₹ 252.00 million on account of increase in purchases made during the Fiscal for maintaining higher inventory levels and increase in sales, an increase in other financial liabilities of ₹ 82.62 million and a decrease in other non-current assets of ₹ 32.27 million. This was significantly offset by an increase in inventories of ₹ 302.90 million on account of supply chain related disruption due to the COVID-19 pandemic at the end of Fiscal 2020 and increase in other current assets of ₹ 76.68 million on account of increase in balances with Government authorities primarily in relation to GST input tax credit. Cash generated from operations in Fiscal 2020 amounted to ₹ 384.31 million. Income taxes paid amounted to ₹ 134.25 million in Fiscal 2020.

Fiscal 2019

In Fiscal 2019, net cash flow from operations was ₹ 186.54 million. Profit before tax was ₹ 761.15 million in Fiscal 2019 and the share of loss in associate amounted to ₹ 4.65 million and share of loss in joint venture of ₹ 3.17 million in Fiscal 2019, and adjustments for primarily consisted of gain on losing control in subsidiary company (exceptional item) of ₹ 495.45 million, depreciation and amortization expenses of ₹ 105.91 million and interest expense on borrowings of ₹ 46.42 million. Operating profit before working capital changes was ₹ 422.32 million in Fiscal 2019. The main working capital adjustments in Fiscal 2019, included a decrease in inventories of ₹ 104.85 million on account of inventories in Fiscal 2019 did not include inventories of Windlas Healthcare, a increase in other current liabilities of ₹ 67.28 million on account of decrease in advance from customer and amount payable to statutory authorities, and a decrease in other current assets of ₹ 52.59 million on account of decrease in balances with Government authorities primarily in relation to GST input tax credit. This was offset by a decrease in trade payables of ₹ 247.42 million on account of reduction in sales and trade payables of Windlas Healthcare not being accounted for the full year in Fiscal 2019 due to the acquisition by Cadila of 51% equity shareholding of Windlas Healthcare with effect from October 29, 2018 and Windlas Healthcare becoming an associate of our Company, increase in other financial assets of ₹ 52.55 million on account of interest accrued on fixed deposits and decrease in other financial liabilities of ₹ 14.15 million on account of reduction of current maturities of long-term debt. Cash generated from operations in Fiscal 2019 amounted to ₹ 307.16 million. Income taxes paid amounted to ₹ 120.62 million in Fiscal 2019.

Fiscal 2018

In Fiscal 2018, net cash flow from operations was ₹ 348.79 million. Profit before tax was ₹ 198.50 million in Fiscal 2018, and the share of loss in joint venture is ₹ (1.24) million in Fiscal 2018, and adjustments for primarily consisted of depreciation and amortization expenses of ₹ 173.47 million, interest expense on borrowings of ₹ 62.37 million and gain on investment measured at FVTPL (net) of ₹ 19.81 million. Operating profit before working capital changes was ₹ 447.09 million in Fiscal 2018. The main working capital adjustments in Fiscal 2018, included a decrease in inventories of ₹ 105.20 million on account of lower purchases than consumption levels in Fiscal 2018. This was offset by an increase in other current assets of ₹ 77.79 million on account increase in balances with Government authorities primarily in relation to input tax credit and decrease in other current liabilities of ₹ 76.17 million on account of reduction in advances from customers and other payables. Cash generated from operations in Fiscal 2018 amounted to ₹ 399.43 million. Income taxes paid amounted to ₹ 50.64 million in Fiscal 2018.

Investing Activities

Nine months ended December 31, 2020

Net cash used in investing activities was ₹ 310.39 million in the nine months ended December 31, 2020, primarily due to purchase of non-controlling interest of subsidiary company of ₹ 994.41 million on account of requirement of additional manufacturing capacity for growth purposes and investments in fixed deposits of ₹ 275.06 million. This was significantly offset by proceeds from mutual funds (net) of ₹ 1,022.15 million in the nine months ended December 31, 2020 due to redemption of mutual funds of Windlas Healthcare for providing loan to our Company to fund the acquisition of 51.00% shareholding of Cadila in Windlas Healthcare.

Nine months ended December 31, 2019

Net cash used in investing activities was ₹ 262.94 million in the nine months ended December 31, 2019, primarily due to investments in fixed deposits of ₹ 156.53 million and purchase of property, plant and equipment, intangible assets and capital work in progress of ₹ 113.35 million.

Fiscal 2020

Net cash used in investing activities was ₹ 143.41 million in Fiscal 2020, primarily on account of purchase of property, plant and equipment, intangible assets and capital work in progress of ₹ 153.09 million, which was marginally offset by interest received of ₹ 9.19 million.

Fiscal 2019

Net cash used in investing activities was ₹ 52.74 million in Fiscal 2019, primarily on account of purchase of property, plant and equipment, and intangible assets and capital work in progress of ₹ 89.54 million, which was offset by proceeds from mutual funds (net) of ₹ 30.01 million.

Fiscal 2018

Net cash used in investing activities was ₹ 109.93 million in Fiscal 2018, primarily on account of purchase of property, plant and equipment, and intangible assets and capital work in progress of ₹ 257.82 million, which was offset by proceeds from mutual funds (net) of ₹ 130.00 million.

Financing Activities

Nine months ended December 31, 2020

Net cash used in financing activities was ₹ 65.37 million in the nine months ended December 31, 2020, primarily on account of repayment of long-term borrowings of ₹ 41.66 million.

Nine months ended December 31, 2019

Net cash used in financing activities was ₹ 115.14 million in the nine months ended December 31, 2019, primarily on account of repayment of long-term borrowings of ₹ 51.10 million and repayment of short-term borrowings of ₹ 43.12 million.

Fiscal 2020

Net cash used in financing activities was ₹ 54.42 million in Fiscal 2020, primarily on account of repayment of long-term borrowings of ₹ 63.47 million, interest paid of ₹ 25.31 million and repayment of lease liabilities of ₹ 4.30 million. This was partially offset by proceeds from short-term borrowings of ₹ 38.66 million.

Fiscal 2019

Net cash from financing activities was ₹ 62.26 million in Fiscal 2019, primarily on account of repayment of short-term borrowings of ₹ 43.52 million, interest paid of ₹ 49.53 million and repayment of long term borrowings of ₹ 13.47 million. This was partially offset by proceeds by issue of equity shares of ₹ 48.15 million on account of conversion of optionally convertible preference shares into equity shares.

Fiscal 2018

Net cash used in financing activities was ₹ 260.50 million in Fiscal 2018, primarily on account of repayment of short-term borrowings of ₹ 113.19 million, interest paid of ₹ 56.83 million and repayment of long-term borrowings of ₹ 86.93 million.

INDEBTEDNESS

As of December 31, 2020, we had total borrowings (consisting of long term borrowings and short term borrowings) of ₹ 222.87 million. Our Total Debt/ Equity ratio was 0.12 and 0.13, as of December 31, 2020 and March 31, 2020, respectively. For further information on our indebtedness, see "*Financial Indebtedness*" on page 271.

The following table sets forth certain information relating to our outstanding indebtedness as of December 31, 2020, and our repayment obligations in the periods indicated:

Particulars	**As of December 31, 2020**				
	Payment due by period				
	(₹ million)				
	Total	**Not later than 1 year**	**1-3 years**	**3 -5 years**	**More than 5 years**
Long Term Borrowings					
Term loans (secured)	23.20	14.41	7.08	1.71	-
Total long term borrowings (including current maturities)	**23.20**	**14.41**	**7.08**	**1.71**	**-**
Short Term Borrowings					
Secured	199.67	199.67	-	-	-
Total Short Term Borrowings	**199.67**	**199.67**	**-**	**-**	**-**
Total Borrowings	**222.87**	**214.08**	**7.08**	**1.71**	**-**

CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS

As of March 31, 2021, there were no contingent liabilities that have not been accounted for in our Restated Consolidated Financial Information.

Other than as disclosed in the "*Financial Statements*", there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The following table sets forth certain information relating to future payments due under known contractual commitments as of December 31, 2020, aggregated by type of contractual obligation:

Particulars	As of December 31, 2020				
	Payment due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(₹ million)				
Contractual obligations					
Long-term debt obligations	23.20	14.41	7.08	1.71	-
Purchase obligations	738.11	738.11	-	-	-
Other long-term liabilities	1.80	-	1.80	-	-
Lease arrangements	6.5	-	6.50	-	-
Total	**769.61**	**752.52**	**15.38**	**1.71**	**-**

For further information on our capital and other commitments, see "*Financial Statements*" on page 182.

CAPITAL EXPENDITURES

In Fiscal 2018, Fiscal 2019, Fiscal 2020 and in the nine months ended December 31, 2019 and 2020, our capital expenditure towards additions to fixed assets (property, plant and equipment's and intangible assets) were ₹ 189.04 million, ₹ 119.39 million, ₹ 152.04 million, ₹ 126.55 million and ₹ 771.72 million (includes Windlas Healthcare's acquired assets), respectively. The following table sets forth our fixed assets for the periods indicated:

Particulars	Fiscal 2018	Fiscal 2019	Fiscal 2020	Nine months ended December 31, 2019	Nine months ended December 31, 2020
		(₹ million)			
Property, plant and equipment	767.86	596.69	661.03	661.15	936.62
Intangible Assets*	34.46	4.42	5.52	4.90	5.18
Capital Work in Progress	105.17	45.79	Nil	2.98	3.72
Total	**907.49**	**646.90**	**666.55**	**669.03**	**945.52**

**Right of use not included in intangibles assets.*

For further information, see "*Financial Statements*" on page 182.

RELATED PARTY TRANSACTIONS

We have entered into transactions with certain related parties, including our Promoters, certain members of our Promoter Group, certain current and former Directors and Key Managerial Personnel of our Company. In particular, we have entered into various transactions with such parties in relation to, amongst others, remuneration, professional fees, rent expense and reimbursement of expenses.

For details of related party transactions of our Company for the nine month periods ended December 31, 2020 and December 31, 2019, and for the Financial Years ended March 31, 2020, 2019 and 2018, as per Ind AS 24 – Related Party Disclosures**,** see "*Offer Document Summary – Summary of related party transactions*" and "*Financial Statements – Note 40: Related Party Disclosures*" on pages 13 and 220, respectively.

AUDITOR'S OBSERVATIONS

There have been no reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our statutory auditors in their auditor's reports on the audited financial statements as of and for the years ended March 31, 2018, 2019 and 2020, and as of and for the nine months ended December 31, 2019 and December 31, 2020.

In addition, the Statutory Auditors have included a statement on certain matters specified in the Companies (Auditors Report) Order 2016, as amended ("**CARO**"), in terms of sub-section (11) of section 143 of the Companies Act, in their reports included as an annexure to the auditor's report on our audited financial statements as of and for the years ended March 31, 2019 and 2020, which do not require any corrective adjustments in the Restated Consolidated Financial Information. For further information, see "*Financial Statements – Annexure VI – Part C: Non Adjusting Items*" on page 232.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to various types of market risks during the normal course of business. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate on account of changes in market prices. Market risk comprises interest rate risk, currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, and FVTPL investments. We have negligible exposure to foreign current risk.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate on account of changes in market prices. Market prices comprises two types of risk: (i) foreign currency risk; and (ii) interest rate risk. Financial instruments affected by market risks include loans and borrowings, deposits and foreign currency receivables and payables.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate on account of changes in foreign exchange rates. Our Company's exposure to the risk of changes in foreign exchange rates relates primarily to our Company's operating activities (when revenue or expense is denominated in foreign currency). Our Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate on account of changes in market interest rates. Our Company's exposure to the risk of changes in market interest rates relates primarily to our Company's long-term debt obligations with floating interest rates. Our Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. Our Company does not enter into any interest rate swaps.

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. Our Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, security deposits and other financial instruments.

Trade Receivables

Credit risk is managed by each business unit subject to our 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 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 days to 60 days or as per agreed contractual terms and conditions. In Fiscals 2018, 2019 and 2020, and in the nine months ended December 31, 2020, our trade receivables were ₹ 665.91 million, ₹ 617.35 million, ₹ 639.38 million and ₹ 940.64 million, respectively, while our receivable turnover day was 69 days, 73 days, 71 days and 80 days, respectively, in the same periods. For further information on the ageing of trade receivables, see, "*Financial Statements – Note 42 – Financial Risk Management Objectives and Policies*" on page 224.

Financial instruments and other deposits

Credit risk from balances with banks and financial institutions is managed by our 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 our 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. Our Company's maximum exposure to credit risk for the components of the statement of financial position at December 31, 2020, December 31, 2019, March 31, 2020, March 31, 2019 and March 31, 2018 is the carrying amounts.

Liquidity Risk

Liquidity risk is defined as the risk that our Company will not be able to settle or meet its obligations on time or at reasonable price. Our Company's objective at all times is to maintain optimum levels of liquidity to meet its cash and liquidity requirements. Our Company closely monitors its liquidity position and deploys a cash management system. It maintains sufficient 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 our senior management. Our management monitors our Company's liquidity position through rolling forecasts on the basis of expected cash flows. For further information on contractual maturities of financial liabilities, see, "*Financial Statements – Note 42 – Financial Risk Management Objectives and Policies*" on page 224.

Inflation

In recent years, India has experienced relatively high rates of inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

CHANGES IN ACCOUNTING POLICIES

Other than as described in "*Financial Statements*", there have been no changes in our accounting policies during Fiscal 2018, 2019 and 2020, and in the nine months ended December 31, 2019 and December 31, 2020.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECT OR ARE LIKELY TO AFFECT INCOME FROM CONTINUING OPERATIONS

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" on pages 235 and 21, respectively.

KNOWN TRENDS OR UNCERTAINTIES

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" on pages 235 and 21, respectively. To our knowledge, except as discussed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 21, 128 and 235 respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

NEW PRODUCTS OR BUSINESS SEGMENTS

Except as set out in this Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new business segments.

COMPETITIVE CONDITIONS

We operate in a competitive environment. See "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 128, 97 and 21, respectively, for further details on competitive conditions that we face across our various business segments.

EXTENT TO WHICH MATERIAL INCREASES IN NET SALES OR REVENUE ARE DUE TO INCREASED SALES VOLUME, INTRODUCTION OF NEW PRODUCTS OR SERVICES OR INCREASED SALES PRICES

Changes in revenue in the last three Fiscals are as described in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2020 compared to Fiscal 2019*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2019 compared to Fiscal 2018*" above on pages 258 and 260, respectively.

SEGMENT REPORTING

Segments are identified in line with Ind AS-108, "Operating Segment", as specified under the section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rule 2015, as amended from time to time, and other relevant provision of the Companies Act, 2013, taking into consideration the internal organisation and management structure as well as differential risk and return of the segment. Based on above, we have identified "pharmaceutical" as the only primary reportable segment.

For further information, see "*Financial Statements – Note 37 – Segment Information*" on page 218.

SIGNIFICANT DEPENDENCE ON SINGLE OR FEW CUSTOMERS

Revenues from any particular customer may vary between financial reporting periods depending on the nature and term of ongoing contracts with such customer. Our revenue from CDMO services and products SBV has historically been derived from a small customer base. In Fiscals 2018, 2019 and 2020, and in the nine months ended December 31, 2019 and 2020, our top 10 customers represented 60.47%, 57.01%, 57.14%, 58.01% and 56.82%, respectively, of our total revenues from operations in such periods. Our largest customer represented 15.27%, 12.33%, 11.65%, 11.36% and 12.13%, respectively, of our total revenues from operations in Fiscals 2018, 2019 and 2020, and in the nine months ended December 31, 2019 and 2020, respectively. For further information, see "*Risk Factors - We derive a significant portion of our revenue from certain CDMO customers, and the loss of one or more such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows*" on page 34.

SEASONALITY/ CYCLICALITY OF BUSINESS

Our business is not subject to seasonality or cyclicality. For further information, see "*Industry Overview*" and "*Our Business*" on pages 97 and 128, respectively.

SIGNIFICANT DEVELOPMENTS AFTER DECEMBER 31, 2020 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

- On April 17, 2021, Clause V of our MoA was amended to reflect the change in the authorised share capital of our Company from ₹775,000,000 divided into 54,000,000 equity sharesof ₹10 each, 300,000 preference shares of ₹100 each and 20,500,000 preference shares of ₹10 each to ₹775,000,000 divided into 108,000,000 Equity Shares of ₹5 each, 300,000 preference shares of ₹100 each and 20,500,000 preference shares of ₹10 each. In addition, on April 17, 2021, our Company's equity shares of face value ₹10 each was sub-divided to Equity Shares of face value of ₹5 each. For further information, see "*Capital Structure*" and "*History and Certain Corporate Matters*" on pages 70 and 153, respectively.

- On April 17, 2021, our Company approved the 'Windlas Biotech Limited -Employee Stock Option Plan 2021'. For further information, see "*Capital Structure*" on page 70.

- On April 26, 2021, Our Company conducted a bonus issue in the ratio of 4.2 Equity Shares of face value of ₹ 5 each for every 10 Equity Shares of face value of ₹ 5 each held in our Company. For further information, see "*Capital Structure*" on page 70.

Except as disclosed above and elsewhere in this Draft Red Herring Prospectus, to our knowledge no circumstances have arisen since December 31, 2020, that could materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at December 31, 2020, derived from Restated Consolidated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Risk Factors*" on pages 235 and 21, respectively.

(*₹ in million except ratios*)

Particulars	Pre-Offer as at December 31, 2020*	As adjusted for the proposed Offer
Borrowings		
- Short-term debt	199.67	**[●]**
- Long-term debt	8.79	**[●]**
- Current maturities of long-term debt	14.41	**[●]**
Total Debt	**222.87**	**[●]**
Shareholders' Funds		
- Share Capital		
- Equity	64.11	**[●]**
- Reserves and Surplus	1,865.74	**[●]**
Total Equity	**1,929.85**	**[●]**
Total Debt/ Equity Ratio	0.12	**[●]**
Long-term Debt/ Equity Ratio[1]	**0.01**	**[●]**

** Not annualised*

Notes:

1) *Long-term debt includes current maturities of long-term debt*
2) *The amounts disclosed above are based on Restated Consolidated Financial Information of our Company.*
3) *The corresponding post-Offer capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of Book Building Process and hence the same has not been provided in the above statement.*

FINANCIAL INDEBTEDNESS

Our Company avails loans in the ordinary course of business and for general corporate purposes.

Set forth below is a brief summary of our aggregate borrowings as of March 31, 2021:

(in ₹ million)

Category of borrowing*	Sanctioned amount*	Outstanding amount as of March 31, 2021*
Secured (A)		
Term loans	215.00	211.71
FCNR Loans	50.00	6.98
Working Capital Loans	443.00	102.47
Bill/Discounting/ Invoice discounting facility	104.00	0.00
Car Loan	0.85	0.42
Unsecured (B)	0.00	0.00
Total (A) + (B)	**812.85**	**321.58**

* *As certified by KRA & Co., Chartered Accountants pursuant to their certificate dated May 13, 2021*

Principal terms of the facilities sanctioned to our Company:

1. ***Interest:*** The interest rate for the term loans availed by our Company is ranges from 5.00% per annum to 8.09% per annum. The interest rate for the FCNR loan availed by our Company is 3M LIBOR + 250 Bps per annum and is tied to a base rate as specified by the lenders. In respect of the working capital loan, bill discounting and invoice discounting facilities availed by our Company, the interest rates are tied to a base rate/ MCLR as specified by the lenders or are as mutually agreed between the lenders and our Company. The interest rate for our car loan is 9.20% per annum and is linked to the MCLR with a reset option. The base rate or the MCLR may vary for each facility.

2. ***Penal Interest:*** In respect of our borrowings, the penal interest chargeable by the lenders on the occurrence of default in terms of payment of any dues or any of the terms and conditions ranges from 1.00% to 5.00% per annum over and above the applicable interest rate.

3. ***Tenor:*** The tenor of the term loans sanctioned to our Company ranges from 180 days to five years and that of the FCNR loan is seven years. In respect of the working capital loans and discounting facilities, the maximum tenor ranges from 90 to 180 days depending upon the nature of the facility. The tenor of the car loan is five years.

4. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to create security by way of:

   a) pari passu charges on our Company's present and future current assets;
   b) pari passu charges on the Company's present and future fixed assets;
   c) demand promissory notes in favour of the lenders;
   d) equitable mortgage over some of our properties including the Company's factories, land, and buildings; and
   e) hypothecation of plant and machinery acquired under the respective assistance.

   Additionally, our Promoters, Ashok Kumar Windlass, Hitesh Windlass and Manoj Kumar Windlass have provided personal guarantees as security in relation to certain facilities availed by us.

   The details above are indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

5. ***Pre-payment:*** In respect of certain facilities, our Company may prepay the amounts subject to the lender's discretion and payment of prepayment charges in accordance with the terms and conditions agreed upon with the concerned lender. In respect of one of the term loans availed by our Company, the lender may demand prepayment if they are of the opinion that the Company's profitability, cash flow or other circumstances warrant accelerated repayment.

6. ***Re-payment:*** The repayment period for the term loans and car loan availed by our Company is as per the repayment schedule stipulated in the relevant loan documentation and is typically spread over the duration of the tenor of the respective loan. The working capital facilities, including cash credits, are repayable on demand by the lenders.

7. ***Events of Default:*** Borrowing arrangements entered into by our Company contain standard events of default, including among others:

   a) failure or inability to pay loan amounts on due date by our Company;
   b) misrepresentation or providing incorrect or misleading information provided by our Company;
   c) insolvency or initiation of insolvency, or liquidation or dissolution of our Company;
   d) cessation or threat of cessation of business of our Company;
   e) occurrence of any cross-default;
   f) misuse of funds or diversion of funds for purposes other than the sanctioned purpose;

g) creation of any encumbrance upon the properties or assets that are charged, mortgaged or otherwise encumbered to the lender without the prior approval of the lender;
h) change or amendments to the constitutional documents or change in control of the management of our Company without the prior approval of the lender;
i) downgrading of credit rating of our Company below specified thresholds; and
j) default in the performance of any covenant, condition or undertaking on our part.

This is an indicative list and there may be additional terms that may amount to an event of default under the borrowing arrangements entered into by our Company.

8. ***Consequences of occurrence of events of default:*** In terms of our borrowing arrangements, the following, among others, are the consequences of occurrence of events of default, whereby the lenders may:

a) terminate, cancel, suspend further drawdowns or withdraw the facility;
b) enforce the security under the loan agreement;
c) appoint nominee directors to the Board;
d) convert the outstanding loan amount into equity;
e) exercise their right to appoint a receiver to recover the dues for the loan;
f) accelerate debt repayment/ initiate recall of the loan; and
g) levy penal interest.

9. ***Restrictive Covenants:*** The facilities sanctioned to our Company contain certain restrictive covenants, including:

a) change in capital structure of our Company, including issuance of fresh equity or preference shares or change in the promoters' shareholding without the prior approval of the lender;
b) modify, alter or otherwise change our constitution documents without the prior written approval of the lender;
c) material change in the management set-up, change in practices for remuneration of directors by means of remuneration, sitting fees or commission, or removal of any person exercising substantial power of management in the affairs of our Company without the prior written approval of the lender;
d) undertake any new projects, reorganization, amalgamation, merger, acquisition, reconstruction, takeover, substantial change of ownership or shareholding or any other scheme of compromise or arrangement affecting our present constitution without the prior approval of the lender;
e) undertake any capital expenditure beyond stipulated thresholds or incurring of further indebtedness by the Company; and
f) declaration or payment of dividends to the Shareholders unless all the dues to the lender has been paid and there is no other subsisting event of default.

Additionally, some of our lenders have the right to appoint a nominee director on the Board and also appoint a nominee to attend any meeting of shareholders of the Company. Further, for the duration that the amounts under the loans remain outstanding, certain lenders have the right to conduct inspections and audits of the Company.

This is an indicative list and there may be other additional terms under the borrowing arrangements entered into by our Company.

For the purpose of the Offer, our Company has obtained necessary consents from our lenders as required under the relevant borrowing arrangements for undertaking activities relating to the Offer.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there is no outstanding (i) criminal proceeding; (ii) action taken by regulatory or statutory authorities; (iii) claim related to direct and indirect taxes (in a consolidated manner); and (iv) other pending litigation as determined to be material as per the materiality policy adopted pursuant to the Board resolution dated May 6, 2021 in each case involving our Company, its Subsidiary, Promoters and Directors ("**Relevant Parties**"). Further, except as disclosed in this section, there are no disciplinary actions including penalties imposed by SEBI or the Stock Exchanges against our Promoters in the last five financial years including any outstanding action. Further, there are no pending litigation involving our Group Companies which has a material impact on our Company.*

For the purpose of identification of material litigation in (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation to be disclosed by our Company in this Draft Red Herring Prospectus pursuant to the Board resolution dated May 6, 2021:

All outstanding litigation, including any litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five financial years including any outstanding action and tax matters (direct or indirect), would be considered 'material' if: (i) the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of 1.00% of the consolidated proft after tax of our Company for the last completed Fiscal as per the Restated Consolidated Financial Information i.e. ₹1.62 million, being 1.00% of the consolidated profit after tax of our Company for the Fiscal 2020; or (ii) where monetary liability is not quantifiable, the outcome of any such pending proceedings may have a material bearing on the business, operations, performance, prospects or reputation of our Company.

It is clarified that for the above purposes, pre-litigation notices received by Relevant Parties (excluding statutory/ regulatory/ tax authorities or notices threatening criminal action), have not been considered as litigation until such time that the Relevant Parties are not impleaded as a defendant in the litigation proceedings before any judicial forum. We have also disclosed matters relating to direct and indirect taxes involving the Relevant Parties in a consolidated manner giving details of number of cases and total amount involved in such claims.

Except as stated in this section, there are no material outstanding dues to creditors of our Company. For this purpose, our Board has pursuant to the Board resolution dated May 6, 2021, considered and adopted a policy of materiality for identification of material outstanding dues to creditors. In terms of this materiality policy, outstanding dues to any creditor of our Company having a monetary value which exceeds 5.00% of the trade payables (excluding provisions) of our Company as of December 31, 2020, shall be considered as 'material'. Accordingly, as on December 31, 2020, any outstanding dues exceeding ₹36.75 million have been considered as material outstanding dues for the purposes of disclosure in this section.

For outstanding dues to any micro, small or medium enterprise, the disclosure shall be based on information available with our Company regarding the status of the creditor as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as amended, read with the rules and notification thereunder.

Litigation involving our Company

Litigation against our Company

Material Civil Litigation

1. Novartis AG has filed cases against a customer of the Company and our Company, bearing no. CS (COMM) 557/2020 and CS (COMM) 156/2021, respectively, before the High Court of Delhi in relation to infringement of patent no. 229051 ("**Patent**"). On March 27, 2019, in the case bearing no. CS (COMM) 62/2019 relating to the Patent, the High Court of Delhi had passed an interim order restraining the defendants therein from using the same product /pharmaceutical composition or any other drug which has a pharmaceutical composition in any form as may amount to infringement of the Patent. In its order dated March 26, 2021, the High Court of Delhi noted our Company's submission that we will abide by the order dated March 27, 2019 passed in the case bearing no. CS(COMM) 62/2019. Further, the High Court of Delhi appointed local commissioners to visit the premises of our Company and the customer to prepare inventory of all the infringing goods/ products, promotional and advertising material. The matter is currently pending.

Actions Taken by Regulatory and Statutory Authorities

1. Our Company received from the Uttarakhand Power Corporation ("**UPCL**") a letter bearing no. 2617/Urban Distribution Division (South)/Rajasv dated November 26, 2019 pursuant to which UPCL raised a demand of ₹12.52 million on account of slow running of meter, and our erstwhile subsidiary Windlas Healthcare received a letter bearing no. 2017/Urban Distribution Division (South)/Rajasv dated November 26, 2019 pursuant to which UPCL raised a demand of ₹18.07 million on account of slow running of meter (collectively, "**UPCL Letters**"). On December 13, 2019, our Company and our erstwhile subsidiary Windlas Healthcare filed complaint/ grievance petitions against the

UPCL letters before the Consumer Grievance Redressal Forum, Garhwal, UPCL, Uttarakhand. The matter is currently pending.

2. The Narcotics Control Bureau, Dehradun Sub Zonal Unit ("**NCB**") pursuant to its letter dated February 17, 2021 notified our Company of seizure of certain products of batch no. WPS-20015 and that the matter is under investigation ("**NCB Letter 1**"). Pursuant to NCB Letter 1, the NCB directed our Company to provide the complete address and contact details, license details, mode of transport and supply chain details, and payment details of all distribution agencies as per our records for batch no. WPS-20015. Our Company responded to NCB Letter 1 on February 26, 2021 and provided the NCB with the requested information relating to the seized products as per our records. Pursuant to the Company's letter dated February 26, 2021, our Company stated that it manufactured the products of batch no. WPS-20015 under a valid drug manufacturing license at our manufacturing facility from where the products were transferred to our marketing location and further sold to our different distributors.

3. The NCB pursuant to its letter dated March 17, 2021 has notified our Company of seizure of certain products of batch no. WPS-PU7AB01 and that the matter is under investigation ("**NCB Letter 2**"). Pursuant to NCB Letter 2, the NCB has directed our Company to provide the complete address and contact details, license details, mode of transport and supply chain details, and payment details of all distribution agencies/shops with certified copies of the same at the earliest. Our Company responded to NCB Letter 2 on March 5, 2021 and provided the NCB with the requested information relating to the seized products as per our records. Pursuant to the Company's letter dated March 5, 2021, our Company stated that it purchased the products of batch no. WPS-PU7AB01 and sold it to distributors/ consignee agents and individual parties from its marketing location.

4. The Drugs Control Administration, Government of Andhra Pradesh ("**DCA**") issued a notice dated January 30, 2019 to our Company for contravention of section 3 of the Essential Commodities Act, 1955 ("**Act**") read with paragraphs 24(1), 24(2) and 24(3) of the Drugs (Price Control) Order, 2013 and punishable under the section 7(1)(a)(ii) of the Act in respect of certain products which were seized by the DCA on January 24, 2019 as the maximum retail price ("**MRP**") was found higher than the ceiling price fixed by government of India *vide* S.O. dated April 2, 2018 of the Ministry of Chemicals and Fertilizers, Department of Pharmaceuticals, National Pharmaceutical Pricing Authority ("**NPPA**"). Further, upon non-receipt of reply to the notice dated January 30, 2019, the DCA issued notices on June 4, 2019 and September 5, 2019 respectively (collectively, the "**DCA Notices**"). Pursuant to the DCA Notices in relation to the alleged violation of the Act, our Company was directed to provide certain information to the DCA in relation to the seized product. Pursuant to the letter dated September 30, 2019, the Company responded to the DCA Notices with the requested information. The Company stated that the relevant batch was manufactured at more than the approved MRP due to 40.00% rise in the price of the API in that period, and it was not viable for manufacturing and selling the product at the price approved by the NPPA, and accordingly, the Company's marketing team increased the price slightly. The Company pursuant to its response dated September 30, 2019, requested the DCA to dismiss the proceedings initiated against the Company. Further, pursuant to our Company's responses dated October 23, 2019, November 12, 2019 and December 3, 2019, our Company provided certain additional information as required under the DCA Notices. On February 26, 2020, the State of Andhra Pradesh represented by the Drugs Inspector, Rajamahendravaram (Urban) filed a complaint bearing no. C.C. 10 of 2020 before the Principal Junior Civil Judge's Court, Alamuru against our Company under Section 11 of the Act, praying that the Company is liable for punishment under Section 7(1)(a)(ii) of the Act. The matter is currently pending.

5. Our Company has received two letters dated February 22, 2021 from Sub-Registrar – Fourth, Dehradun to the Collector Stamp/ Additional District Officer (Finance and Revenue), Dehradun in relation to forwarding of two conveyance deeds executed by Windlas Healthcare in favour of our Company, upon the amalgamation of Windlas Healthcare with our Company, for examination under sections 33 and 38 of the Indian Stamp Act, 1899 for non-payment of stamp duty amounting to ₹7.92 million and ₹3.69 million for the respective conveyance deeds and recovery thereof ("**Stamp Duty Letters**"). The Stamp Duty Letters note that the reliance placed by the conveyance deeds upon certain statutory notifications for availing remission of stamp duty for instruments evidencing transfer of properties between a parent company and its subsidiary company is not verifiable. Further, the Stamp Duty Letters state that there is a mention of payment of stamp duty in the Scheme of Amalgamation and that Windlas Healthcare was not originally a 100.00% subsidiary of our Company. Accordingly, the Stamp Duty Letters direct the Collector Stamp/ Additional District Officer (Finance and Revenue), Dehradun to recover the stamp duty payable on the conveyance deeds and reasonable penalty thereon.

Litigation by our Company

Criminal Litigation

Our Company has filed a complaint dated August 5, 2020 before the Chief Metropolitan Magistrate, South, Saket, New Delhi against Padam Bahadur Sonar for alleged violation of section 138 of Negotiable Instruments Act, 1881 upon dishonour of cheque for an amount of ₹4.85 million owed to our Company. Pursuant to the order dated March 16, 2021, the Metropolitan Magistrate, South Delhi, Saket took cognisance of the offence punishable under section 138 of Negotiable Instruments Act, 1881, and upon noting that there are sufficient grounds to proceed against the accused, ordered the issuance of summons to the accused.

In addition to the case disclosed above, there are five cases filed by our Company pending before judicial forums for alleged violation of section 138 of Negotiable Instruments Act, 1881, for recovery of amounts due to our Company for which cheques issued in favour of our Company by our debtors have been dishonoured. The total monetary value involved in all these matters is ₹1.40 million.

Litigation involving our Promoters

Nil

Litigation involving our Directors

Litigations against our Directors

Criminal Litigation

1. A criminal complaint was filed before the 16th Magistrate Court at Ballard Pier bearing criminal complaint no. 1978 / SS. 2019 filed on March 29, 2019 by the Security Guard Board against Pfizer Limited and certain other individuals including Vivek Dhariwal as an Executive Director. The complaint alleges that the agency providing security to Pfizer Limited at its registered office was not granted an exemption from the provisions of, the Maharashtra Private Security Guards (Regulation of Employment & Welfare) Act, 1981 ("**Act**"), and rules made thereunder, and therefore the deployment of guards provided by the agency is in contravention of clause 25 (2) of the Private Security Guards (Regulation of Employment and Welfare) Scheme, 2002 (the "Scheme") read with section 3 (3) of the Act. The court issued summons to all persons named in the complaint, including Vivek Dhariwal. The case is being contested by Pfizer Limited, both before the magistrate's court and the Bombay High Court, and the matter is currently pending before the 16th Magistrate Court at Ballard Pier with the next date having been set at August 3, 2021.

Litigations by our Directors

Nil

Litigation involving our Subsidiary

Nil

Tax Claims

Except as disclosed below, there are no claims related to direct and indirect taxes involving our Company, Directors and Promoters.

Nature of case	Number of cases	Amount involved (in ₹ million)
Proceedings involving the Company		
Direct Tax	2	Nil
Indirect Tax	6	35.44
Proceedings involving the Subsidiary		
Direct Tax	-	NA
Indirect Tax	-	NA
Proceedings involving the Directors		
Direct Tax	-	NA
Indirect Tax	-	NA
Proceedings involving the Promoters		
Direct Tax	-	NA
Indirect Tax		NA

Material tax proceedings involving our Company

1. Our Company filed a writ petition bearing no. 1462/2009 before the High Court of Uttarakhand at Nainital **("High Court**") on September 1, 2009 against the Union of India and Commissioner (State Excise), Uttarakhand ("**Excise Commissioner**"), challenging the decision to collect excise duty under the Medicinal and Toilet Preparations (Excise Duties) Act, 1955 ("**Act**") for certain cough syrup products manufactured by our Company which contain the ingredient codeine phosphate on the grounds that the products contain codeine phosphate within permissible limits and hence, cannot be classified as narcotic or narcotic drugs on which excise duty can be levied as per the Act and notifications thereunder. Further, our Company claimed refund of the excise duty amounting to ₹25.83 million which had previously been paid to the state excise authorities under protest. The single judge bench of the High Court pursuant to its order dated January 11, 2013 directed the Excise Commissioner not to charge the said excise duties on certain cough syrup products if they contain codeine phosphate within permissible limits with prospective effect and held that the excise duty paid under protest by our Company shall not be refunded as it is presumed that the additional costs have already been passed to the customers ("**Order 1**"). Against the Order 1, our Company filed an appeal

bearing special appeal no. 29/2013 before the High Court on February 2, 2013. The division bench of the High Court pursuant to its order dated October 11, 2018 ("**Order 2**") directed the Excise Commissioner to consider the refund claim of our Company along with reasonable interest. The Excise Commissioner filed a review application no. 170/2019 before the High Court against Order 2. The division bench of the High Court pursuant to its order dated August 2, 2019 ("**Order 3**"), dismissed the review application and clarified that Order 2 required the Excise Commissioner to only consider the case of our Company in relation to the refund claim. Our Company filed a representation dated August 26, 2019 before the Excise Commissioner for refund of ₹25.83 million and interest thereon. The Excise Commissioner, in its order dated December 10, 2019 rejected the refund claim made by our Company in the representation dated August 26, 2019 on the grounds that it will lead to unjust enrichment. On December 24, 2019, our Company filed a writ petition bearing no. 43/2020 before the High Court against the Excise Commissioner's order dated December 10, 2019. The matter is currently pending.

2. Our erstwhile subsidiary, Windlas Healthcare, received a show cause notice from Deputy Commissioner (Assessment) – I, State tax, Dehradun ("**DC, State Tax**") dated October 29, 2018 rejecting the IGST refund claim of ₹3.15 million in respect of services provided by Windlas Healthcare to its then subsidiary, Windlas, Inc. alleging that the services provided by Windlas Healthcare do not qualify as export of services upon failure to satisfy the condition under section 2(6)(v) of the Integrated Goods and Services Tax Act, 2017 ("**IGST Act**"). On October 30, 2018, Windlas Healthcare filed a reply to the show cause notice dated October 29, 2018 stating that Windlas Healthcare and Windlas, Inc. are different corporate entities incorporated under different laws and are not merely establishments of distinct persons. Further, Windlas Healthcare was served a show cause notice from DC, State Tax dated November 22, 2018 rejecting the IGST refund claim of ₹2.36 million in respect of services provided by Windlas Healthcare to certain clients under respective supply and service agreements, alleging that the place of supply of services is to be determined in accordance with section 13(3) of the IGST Act and these services do not constitute export of services in terms of section2(6)(iii) of the IGST Act. Windlas Healthcare filed a reply to the show cause notice dated November 22, 2018 on December 3, 2018 stating that it provided scientific and technical consultancy services wherein it procured inputs for testing purposes from its clients and used them for generating dossiers/ reports and hence, the place of provision of services cannot be determined under section 13(3) of the IGST Act. The DC, State Tax, *vide* its refund rejection order dated December 7, 2018 rejected the IGST refund claims of Windlas Healthcare. Against the refund rejection order dated December 7, 2018, Windlas Healthcare filed an appeal dated March 15, 2019 before the Joint Commissioner (Appeal), Dehradun ("**JC, Appeal**"). In its order dated September 30, 2019, the JC, Appeal, partially allowed the appeal to the extent of IGST refund claim of ₹3.15 million in respect of services provided to Windlas, Inc. and rejected the IGST refund claim of ₹2.36 million in respect of services provided by Windlas Healthcare to its clients. On November 7, 2019, Windlas Healthcare filed writ petition bearing no. 3450/2019 before the High Court against the order of the JC, Appeal dated September 30, 2019, and the matter is currently pending.

3. Our erstwhile subsidiary, Windlas Healthcare, received a show cause notice from DC, State Tax dated January 7, 2020 rejecting the IGST refund claims of, (i) ₹3.48 million in respect of services provided by Windlas Healthcare to its then subsidiary, Windlas, Inc. alleging that the services provided by Windlas Healthcare do not qualify as export of services upon failure to satisfy the condition under section 2(6)(v) of the IGST Act; and (ii) ₹0.62 million in respect of services provided by Windlas Healthcare to certain clients under respective supply and service agreements, alleging the place of supply of services is to be determined in accordance with section 13(3) of the IGST Act and these services do not constitute export of services in terms of section 2(6)(iii) of the IGST Act. Windlas Healthcare filed a reply to the show cause notice on January 20, 2020 stating, *inter alia*, that Windlas Healthcare and Windlas, Inc. are different corporate entities incorporated under different laws and are not merely establishments of distinct persons and the transaction between them qualifies as export of services, and that it provided scientific and technical consultancy services wherein it procured inputs for testing purposes from its clients and used them for generating dossiers/ reports and hence, the place of provision of services cannot be determined under section 13(3) of the IGST Act. The DC, State tax, in its refund sanction/ refund rejection order dated February 15, 2020 rejected the refund claim of ₹3.48 million in respect of services provided by Windlas Healthcare to its subsidiary, Windlas, Inc and allowed the refund claim of ₹0.62 million in respect of services provided by Windlas Healthcare to its clients. Windlas Healthcare filed an appeal dated July 29, 2020 before the JC, Appeal challenging the rejection of refund claim of ₹3.48 million. The matter is currently pending.

Outstanding dues to Creditors

As of December 31, 2020, our Company has 509 creditors, and the aggregate outstanding dues to these creditors by our Company are ₹734.89 million. Further, our Company owes an amount of ₹36.50 million to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

As per the policy of materiality for identification of material outstanding dues to creditors considered and adopted by our Board pursuant to the Board resolution dated May 6, 2021, a creditor of the Company shall be considered to be material for the purpose of disclosure in the Offer documents if the amounts due to such creditor exceed 5% of the total trade payables (excluding provisions) of the Company as of December 31, 2020, which is 734.89 million i.e., creditors of the Company to whom the Company owes an amount exceeding ₹36.75 million have been considered material. As of December 31, 2020, there is one material creditor to whom our Company owes an aggregate amount of ₹46.90 million.

Details of outstanding dues owed to material creditors, MSMEs and other creditors as of December 31, 2020 are set out below:

Types of Creditors	Number of Creditors	Amount involved (in ₹ million)
Micro, Small and Medium Enterprises	69	36.50
Material Creditors	1	46.90
Other Creditors	439	651.49
Total	509	734.89

The details pertaining to net outstanding dues towards our material creditors are available on the website of our Company at https://windlas.com/material-creditor/.

It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus.

Material Developments

Other than as stated in the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 235, there have not arisen, since the date of the last financial statement disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our trading, our profitability or the value of our assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

We have set out below an indicative list of approvals obtained by our Company which are considered material and necessary for the purpose of undertaking its business activities. In view of these key approvals, our Company can undertake this Offer and its business activities. In addition, certain of our key approvals may expire in the ordinary course of business and our Company will make applications to the appropriate authorities for renewal of such key approvals, as necessary. For details in connection with the regulatory and legal framework within which we operate, see "Key Regulations and Policies" on page 147.

I. Incorporation details

1. Certificate of incorporation dated February 19, 2001 issued to our Company, under the name Windlas Biotech Limited by RoC Delhi.

2. Certificate for commencement of business dated March 5, 2001 issued by RoC Delhi.

3. Fresh certificate of incorporation dated July 22, 2016 issued by the Registrar of Companies, Uttarakhand at Kanpur, consequent upon the change of our Company's name from Windlas Biotech Limited to Windlas Biotech Private Limited, pursuant to conversion of our Company into a private limited company.

4. Fresh certificate of incorporation dated April 15, 2021 issued by the RoC consequent upon the change of our Company's name from Windlas Biotech Private Limited to Windlas Biotech Limited, pursuant to conversion of our Company into a public limited company.

5. The CIN of our Company is U74899UR2001PLC033407.

II. Approvals in relation to the Offer

For details regarding the approvals and authorizations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures - Authority for the Offer*" on page 280.

III. Key approvals in relation to our Company

Approvals in relation to our business operations

In order to operate our manufacturing facilities in India, our Company requires various approvals and/or licenses under various state and central laws, rules and regulations. These approvals and/or licenses, *inter alia*, include licenses under the Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945, the Factories Act, 1948, the Boilers Act, 1923, the Narcotic Drugs and Psychotropic Substances Act, 1985, approval from the central and state governments and pollution control board under the Environment (Protection) Act, 1986, Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981, Hazardous and Other Wastes (Management, Transboundary Movement) Rules, 2016, Bio-Medical Waste Management Rules, 2016, the Explosives Act, 1884 and the Explosives Rules, 2008, the Petroleum Rules, 2002, the Food Safety and Standard Act, 2006 and Plastic Waste Management Rules, 2016.

Except as disclosed below, we have obtained the necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate our facilities. Certain approvals have lapsed in the normal course and the Company has made applications to the appropriate authorities for renewal of such licenses:

1. Applications for renewal of registration for producer or brand owners under Rule 13 of the Plastic Waste Management Rules, 2016 for our Dehradun Plant – I, Dehradun Plant – II, Dehradun Plant – III and Dehradun Plant – IV made with the Uttarakhand Pollution Control Board, Dehradun.

2. Applications for renewal of consents under the Air (Prevention and Control of Pollution) Act, 1981 and Water (Prevention and Control of Pollution) Act, 1974 for our Dehradun Plant – I and Dehradun Plant – II made with the Uttarakhand Pollution Control Board, Dehradun.

3. No objection certificates from the Central Ground Water Authority in relation to Dehradun Plant II and Dehradun Plant-IV

Foreign trade related approvals

Our Company has obtained a certificate of importer exporter code bearing number 0501017305 from the Office of Additional Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India on June 19, 2001. This code is valid until cancelled.

Tax related approvals

Our Company has obtained registrations under various central and state specific tax laws such as the Income Tax Act, 1961, goods and service tax acts, state specific service tax and professional tax acts. Our Company has obtained the necessary licenses and approvals from the appropriate regulatory and governing authorities in relation to such tax laws

Labour related approvals

Our Company has obtained registrations under various employee and labour related laws including the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Contract Labour (Regulations and Abolition Act), 1970, the Employees State Insurance Act, 1948, and the relevant shops and establishment legislations.

Intellectual property

As on December 31, 2020, our Company has 63 registered trademarks under class 5 and two registered patents in India. Our Company has applied for seven patent registrations which are pending. Further, two trademark applications made by our Company are pending. Our corporate logo ' ' has been granted the status 'accepted and advertised' by the Trademark Registry.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Offer pursuant to the resolution passed at its meeting held on April 27, 2021 and our Shareholders have approved the Fresh Issue pursuant to a special resolution passed on May 6, 2021. This Draft Red Herring Prospectus has been approved pursuant to a resolution passed by the Board on May 13, 2021.

Each of the Selling Shareholders have, severally and not jointly, confirmed and approved its participation in the Offer for Sale in relation to its portion of Offered Shares. For details, see "*The Offer*" on page 55.

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, Promoters, members of our Promoter Group, Directors, persons in control of our Company and the persons in control of the Promoter Trust are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoters and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

Our Company, Promoters, Selling Shareholders or Directors have not been declared as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Promoters or Directors have not been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Each Selling Shareholder, severally and not jointly, confirms that they have not been prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI, any other governmental authority or any securities market regulator in any other jurisdiction or any other authority/court.

Directors associated with the Securities Market

None of our Directors are associated with securities market related business, in any manner and there has been no outstanding actions initiated by SEBI against our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Confirmation under Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoters, members of our Promoter Group (including the Individual Selling Shareholder), and the Investor Selling Shareholder severally and not jointly, confirm that it is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has net tangible assets of at least ₹30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- Our Company has an average operating profit of at least ₹150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;
- Our Company has a net worth of at least ₹10 million in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and
- Our Company has not changed its name in the last one year.

Our Company's operating profit, net worth, net tangible assets and monetary assets derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus as at, and for the last three years ended March 31 are set forth below:

Derived from our Restated Consolidated Financial Information:

(₹ in million)

S. No.	Particulars	Fiscal 2020	Fiscal 2019	Fiscal 2018
A.	Net tangible assets[(1)]	2,048.37	1,884.85	725.53

S. No.	Particulars	Fiscal 2020	Fiscal 2019	Fiscal 2018
B.	Monetary assets[(2)]	183.84	131.96	76.65
C.	Monetary assets as a percentage of net tangible assets (B/A)	8.97	7.00	10.56
D.	Net worth[(3)]	2,096.59	1,935.85	1,247.53
E.	Restated pre-tax operating profits[(4)]	321.73	279.17	219.87

Notes:

1. *"Net tangible assets" means the sum of all the net assets of our Company excluding intangible assets and right of use assets reduced by total liabilities adjusting deferred tax asset (Net) of our Company.*
2. *"Monetary assets" means cash and cash equivalents and bank balances other than cash and cash equivalents (excluding bank deposit > 12 months).*
3. *"Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*
4. *"Restated pre-tax operating profit" means restated profit before tax excluding other income and finance expense.*

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

(i) Our Company, our Promoters, members of our Promoter Group (including the Individual Selling Shareholder), the Investor Selling Shareholder and our Directors are not debarred from accessing the capital markets by SEBI;

(ii) The companies with which our Promoters or our Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;

(iii) Neither our Company, nor our Promoters, or Directors is a wilful defaulter (as defined in the SEBI ICDR Regulations);

(iv) None of our Promoters or Directors has been declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;

(v) There are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus;

(vi) Our Company along with Registrar to the Offer has entered into tripartite agreements dated March 23, 2021 and March 10, 2021 with NSDL and CDSL, respectively, for dematerialisation of the Equity Shares;

(vii) The Equity Shares of our Company held by our Promoters are in the dematerialised form; and

(viii) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING SBI CAPITAL MARKETS LIMITED, DAM CAPITAL ADVISORS LIMITED (FORMERLY IDFC SECURITIES LIMITED) AND IIFL SECURITIES LIMITED ("BRLMs"), HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MAY 13, 2021 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(FORM A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE

OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of filing of the Prospectus with the Registrar of Companies in terms of sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Disclaimer from our Company, our Directors, the Selling Shareholders and BRLMs

Our Company, the Selling Shareholders, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our Company's website www.windlasbiotech.com, or the respective websites of any affiliate of our Company would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement, and as will be provided for in the Underwriting Agreement.

All information shall be made available by our Company, Selling Shareholders and the BRLMs to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

None among our Company, the Selling Shareholders or any member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; or (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, its Subsidiary, the Selling Shareholders, their respective affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, its Subsidiary, the Selling Shareholders, their respective affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

The Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only. This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States,

except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs" in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs".

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act if such an offer for sale is made otherwise than in compliance with the available exemptions from registration under the U.S. Securities Act.

Equity Shares Offered and Sold within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to the Offer within the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with our Company, the Selling Shareholders and the BRLMs that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to the Offer in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares offered pursuant to the Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

3. the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of U.S. QIB with respect to which it exercises sole investment discretion;

4. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;

5. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A under the U.S. Securities Act or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act; and (B) in accordance with all applicable laws, including the securities laws of the states of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;

6. the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;

7. the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

8. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;

9. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

   THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF

RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

10. our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

11. the purchaser acknowledges that our Company, the Selling Shareholders, the BRLMs and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company and the BRLMs, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Equity Shares Offered and Sold in the Offer

Each purchaser that is acquiring the Equity Shares offered pursuant to the Offer outside the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares offered pursuant to the Offer, will be deemed to have acknowledged, represented and warranted to and agreed with our Company, the Selling Shareholders and the BRLMs that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorised to consummate the purchase of the Equity Shares offered pursuant to the Offer in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares offered pursuant to the Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

3. the purchaser is purchasing the Equity Shares offered pursuant to the Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;

4. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Issue, was located outside the United States at the time (i) the offer for Equity Shares was made to it and (ii) when the buy order for such Equity Shares was originated, and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

5. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;

6. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;

7. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;

8. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT,

IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

9. our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

10. the purchaser acknowledges that our Company, the Selling Shareholders, the BRLMs and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company and the BRLMs, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

In relation to each European Economic Area State that has implemented the Prospectus Directive (Directive 2003/71/EC) and amendments thereto, including Directive 2010/73/EU and to the extent applicable, Prospectus Regulation (EU) 2017/1129 (each, a "**Relevant Member State**"), an offer to the public of any Equity Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

a. to any legal entity which is a qualified investor as defined under the Prospectus Directive;
b. to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors), subject to obtaining the prior consent of the BRLMs; or
c. in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Equity Shares shall result in a requirement for our Company or any BRLM to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive and each person who receives any communication in respect of, or who acquires any Equity Shares under, the offers contemplated in this Draft Red Herring Prospectus will be deemed to have represented, warranted and agreed to with the BRLMs and our Company that it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any of the Equity Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

In the case of any Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Equity Shares acquired by it in the offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public in a Relevant Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another Relevant Member State and notified to the competent authority in the Relevant Member State, all in accordance with the Prospectus Directive, other than their offer or resale to qualified investors or in circumstances in which the prior consent of the BRLMs has been obtained to each such proposed offer or resale.

Our Company, the BRLMs and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

This Draft Red Herring Prospectus is an advertisement and is not a prospectus for the purposes of EU Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU and to the extent applicable, Prospectus Regulation (EU) 2017/1129).

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

The Equity Shares Alloted through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

Consents

Consents in writing of each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Legal Counsel to the Company and the Selling Shareholders as to Indian Law, Legal Counsel to the BRLMs as to Indian Law, International Legal Counsel to the BRLMs, Bankers to our Company, the BRLMs, Registrar to the Offer, CRISIL India Limited, and consents in writing of the Syndicate Members, Monitoring Agency, Escrow Collection Bank(s)/Refund Bank(s)/ Public Offer Account/ Sponsor Bank to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for filing with the RoC.

Expert to the Offer

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated May 13, 2021 from S.S. Kothari Mehta & Company., to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated April 27, 2021 on our Restated Consolidated Financial Information; and (ii) their report dated May 13, 2021 on the statement of tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

In addition, our Company has received written consent dated May 7, 2021 from Rajeev Kumar Gupta, Chartered Engineer, as chartered engineer to include his name as an "expert" as defined under Section 2(38) and other applicable provisions of the Companies Act, 2013 in relation to the details of the Company's installed operating capacity and capacity utilization at the manufacturing facilities of the Company and written consent dated May 11, 2021 from Dr. Priyanka Mehta, GNP Legal Consulting as intellectual property consultant to include their name under Section 26(5) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of their certificate on the (i) patent and trademark filings and registrations of the Company, the Subsidiary and Joint Venture; and (ii) product filings and registrations in India and certain other jurisdictions, as of December 31, 2020. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Particulars regarding capital issues by our Company and listed group companies, subsidiaries or associate entities during the last three years

Other than as disclosed in "*Capital Structure*" on page 70, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

Our Company does not have any listed subsidiaries, Group Companies or Promoters.

As of the date of this Draft Red Herring Prospectus, our Company does not have any associate entity

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's incorporation.

Performance vis-à-vis objects – Public/ rights issue of our Company

Our Company has not undertaken any public issue in the five years preceding the date of this Draft Red Herring Prospectus. Our Company has not undertaken any rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/listed Promoter of our Company

Our Company does not have any listed subsidiaries or promoters.

Price information of past issues handled by the BRLMs

1) SBI Capital Markets Limited

1. Price information of past issues handled by SBI Capital Markets Limited

Sr. No.	Issue name	Issue size (₹ millions)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Macrotech Developers Limited	25,000.00	486.00	April 19, 2021	436.00	NA	NA	NA
2.	Barbeque-Nation Hospitality Limited	4528.74	500.00	April 07, 2021	489.85	18.77% [-0.64%]	NA	NA
3.	Suryoday Small Finance Bank Ltd (1)	5,808.39	305.00	March 26, 2021	292.00	-18.38% [-1.14%]	NA	NA
4.	Kalyan Jewellers India Ltd (2)	11748.16	87.00	March 26, 2021	73.95	-24.60% [-1.14%]	NA	NA
5.	Railtel Corporation of India Limited	8192.42	94.00	February 26, 2021	109.00	35.64% [-0.15%]	NA	NA
6.	Indian Railway Finance Corporation Ltd	46,333.79	26.00	January 29, 2021	24.90	-5.19% [+6.56%]	-18.65% [+9.02%]	NA
7.	Mrs. Bectors Food Specialities Limited (3)	5,405.40	288.00	December 24,2020	500.00	37.69% [+4.53%]	19.93% [+7.75%]	NA
8.	UTI Asset Management Company Ltd	21,598.84	554.00	October 12, 2020	500.00	-10.43% [+5.87%]	-0.60% [+20.25%]	5.81% [+24.34%]
9.	Angel Broking Limited	6,000.00	306.00	October 05, 2020	275.00	-2.32% [+2.70%]	10.01% [+21.86%]	-3.74% [+29.24%]
10.	SBI Cards & Payment Services Ltd.(4)	1,03,407.88	755.00	March 16, 2020	661.00	-33.05% [-2.21%]	-21.79% [+8.43%]	12.50% [+24.65]

Source: www.nseindia.com

***Notes**:*

Notes:
** The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days isa trading holiday, the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.*
** The Nifty 50 index is considered as the Benchmark Index*

1 Price for eligible employee was ₹30.00 per equity share
2 Price for eligible employee was ₹8.00 per equity share
3 Price for eligible employee was ₹273.00 per equity share
4 Price for eligible employees was ₹680.00 per equity share

2. Summary statement of price information of past issues handled by SBI Capital Markets Limited

Financial Year	Total no. of IPOs	Total funds raised (₹ in Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-22*	2	29,528.74	-	-	-	-	-	1	-	-	-	-	-	-
2020-21*	7	1,05,087.00	-	-	5	-	2	-	-	-	2	-	-	-
2019-20	3	138,283.86	-	1	1	1	-	-	1	-	-	1	-	1

** The information is as on the date of this Offer Document.*

 # Date of Listing for the issue is used to determine which financial year that particular issue falls into

2) DAM Capital Advisors Limited (formerly IDFC Securities Limited)

1. Price information of past issues handled by DAM Capital Advisors Limited (formerly IDFC Securities Limited)

Sr. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1.	Mazagon Dock Shipbuilders Limited	4,436.86	145.00	October 12, 2020	214.90	+18.90%, [+5.87%]	+52.90%, [+20.25%]	+45.79%,[+24.34%]
2.	Indian Railway Finance Corporation Limited	46,333.79	26.00	January 29, 2021	24.90	-5.19%,[+6.56%]	-18.65%,[+9.02%]	Not applicable
3.	Laxmi Organic Industries Limited	6,000.00	130.00	March 25, 2021	155.50	+37.85%,[+0.11%]	Not applicable	Not applicable

Source: www.nseindia.com

Notes:

(a) Issue size derived from prospectus
(b) Price on NSE is considered for all of the above calculations
(c) % of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.
(d) Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.
(e) The Nifty 50 index is considered as the benchmark index
(f) Not applicable – Period not completed

2. Summary statement of price information of past issues handled by DAM Capital Advisors Limited (formerly IDFC Securities Limited)

Financial Year	Total no. of IPOs	Total funds raised (₹ Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020-21	3	56,770.65	-	-	1	-	1	1	-	-	-	-	1	-
2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: www.nseindia.com

Notes:

a. The information is as on the date of this offer document
b. The information for each of the financial years is based on issues listed during such financial year.
c. Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for the above issue, data for same is not available

3) IIFL Securities Limited

1. Price information of past issues handled by IIFL Securities Limited

Sr. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1.	Equitas Small Finance Bank Ltd	5,176.00	33.00	November 2, 2020	31.10	+5.45%, [+12.34%]	+19.55%, [16.84%]	+68.18%,[+25.38%]
2.	Mrs. Bectors Food Specialities Ltd	5,405.40	288.00	December 24, 2020	500.00	+37.69%, [+4.53%]	+19.93%, [+7.75%]	N.A.
3.	Antony Waste Handling Cell Limited	2,999.85	315.00	January 1, 2021	436.10	-10.27%, [-2.74%]	-23.21%, [+4.80%]	N.A.
4.	MTAR Technologies Limited	5964.14	575.00	March 15, 2021	1,050.00	+69.45%,[-2.84%]	N.A.	N.A.
5.	Anupam Rasayan India Ltd	7,600.00	555.00	March 24, 2021	520.00	-0.11%,[-0.98%]	N.A.	N.A.
6.	Craftsman Automation Limited	8,236.96	1,490.00	March 25, 2021	1,359.00	-13.82%,[+0.11%]	N.A.	N.A.
7.	Suryoday Small Finance Bank Ltd	5,808.39	305.00	March 26, 2021	292.00	-18.38%,[-1.14%]	N.A.	N.A.
8.	Nazara Technologies Ltd	5,826.91	1,101.00	March 30, 2021	1,990.00	+62.57%,[0.13%]	N.A.	N.A.
9.	Barbeque-Nation Hospitality Limited	4,528.74	500.00	April 7, 2021	489.85	+18.77%,[-0.64%]	N.A.	N.A.
10.	Macrotech Developers Ltd	25,000.00	486.00	April 19, 2021	436.00	N.A.	N.A.	N.A.

Source: www.nseindia.com

Note:

Benchmark Index taken as CNX NIFTY. Price on NSE is considered for all of the above calculations. The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th /90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. The Nifty 50 index is considered as the benchmark index. NA means Not Applicable

2. Summary statement of price information of past issues handled by IIFL Securities Limited

Financial Year	Total no. of IPOs	Total funds raised (₹ in Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2019–20	5	65,827.61	-	-	2	-	1	2	1	1	1	-	-	2
2020-21	8	47,017.65	-	-	4	2	1	1	-	-	-	1	-	-
2021-22	2	29,528.74	-	-	-	-	-	1	-	-	-	-	-	-

Source: www.nseindia.com

Note:

Data for number of IPOs trading at premium/discount taken at closing price on NSE on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.NA means Not Applicable.

Track record of the Book Running Lead Managers

For details regarding the track record of the BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, see the websites of the BRLMs, as set forth in the table below:

S. No.	Name of BRLM	Website
1.	SBI Capital Markets Limited	www.sbicaps.com/index.php/track-record-of-public-issue/
2.	DAM Capital Advisors Limited (Formerly IDFC Securities Limited)	www.damcapital.in
3.	IIFL Securities Limited	www.iiflcap.com

Stock Market Data of Equity Shares

This being an initial public offer of Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Bank for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned herein.

Our Company has not received investor complaints in relation to the Equity Shares for the three years prior to the filing of the Draft Red Herring Prospectus, hence no investor complaint in relation to our Company is pending as on the date of filing of the Draft Red Herring Prospectus.

Disposal of Investor Grievances by our Company

Our Company will obtain authentication on the SCORES and shall comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be five Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has also appointed Ananta Narayan Panda, Company Secretary of our Company, as the Compliance Officer for the Offer. For details, see "*General Information*" on page 63.

Our Company has constituted a Stakeholders' Relationship Committee comprising of Gaurav Gulati, Chairperson, Manoj Kumar Windlass and Prachi Jain Windlass. as members. For details, see "*Our Management - Stakeholders' Relationship Committee*" on page 167.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued, offered and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

The Allottees upon Allotment of Equity Shares under the Offer will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. The Equity Shares issued in the Offer shall be *pari passu* with the existing Equity Shares in all respects including dividends. For further details, see "*Description of Equity Shares and Terms of Articles of Association*" on page 312.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of Articles of Association*" on pages 181 and 312, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹5 and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Offer Price, Price Band, Employee Discount and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and advertised in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper, Hindi being the regional language of Uttarakhand, where our Registered Office is located, each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges.

At any given point of time, there shall be only one denomination for the Equity Shares.

The Offer

The Offer comprises a Fresh Issue and an Offer for Sale by the Selling Shareholders.

Expenses for the Offer shall be shared amongst our Company and the Selling Shareholders in the manner specified in "*Objects of the Offer - Offer Expenses*" on page 88.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the Listing Regulations and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Description of Equity Shares and Terms of Articles of Association*" on page 312.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, our Company has entered into the following agreements with the respective Depositories and Registrar to the Offer:

- Tripartite agreement dated March 23, 2021 amongst our Company, NSDL and Registrar to the Offer; and
- Tripartite agreement dated March 10, 2021 amongst our Company, CDSL and Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

Bid/Offer Programme

BID/OFFER OPENS ON	[●][(1)]
BID/OFFER CLOSES ON	[●][(2)]

(1) *Our Company and the Selling Shareholders in consultation with the BRLMs, may consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations*

(2) *Our Company and the Selling Shareholders in consultation with the BRLMs may, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations*

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]

Event	Indicative Date
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

** In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multipe amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The post Offer BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked.*

Further, Bidders shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company, our Selling Shareholders or the BRLMs.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company and the Selling Shareholders in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each Selling Shareholder confirms that it shall extend such reasonable support and co-operation required by our Company and the BRLMs for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by SEBI.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/ Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. IST
Bid/Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/ Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs or Eligible Employees under the Employee Reservation Portion.

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only during Working Days.

None among our Company and the Selling Shareholders or any member of the Syndicate is liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; and (ii) the blocking of Bid Amount in the ASBA Account

on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Our Company and the Selling Shareholders, in consultation with the BRLMs reserves the right to revise the Price Band during the Bid/Offer Period, in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholders in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the terminals of the Syndicate Members and by intimation to the Designated Intermediaries.

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; or (ii) minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, if any, in accordance with applicable laws, or if the subscription level falls below the thresholds mentioned above after the Bid/Offer Closing Date, on account of withdrawal of applications or after technical rejections, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being issued or offered under the Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021.If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company and our Directors, who are officers in default, shall pay interest at the rate of 15% per annum. In the event of an under-subscription in the Offer, Equity Shares offered pursuant to the Fresh Issue shall be allocated in the Offer prior to the Equity Shares offered pursuant to the Offer for Sale. However, after receipt of minimum subscription of 90% of the Fresh Issue, the Offered Shares shall be allocated proportionately prior to the Equity Shares offered pursuant to the Fresh Issue.

Each Selling Shareholder shall reimburse, in proportion to the respective portion of its Offered Shares, any expenses and interest incurred by our Company on behalf of such Selling Shareholder for any delays in making refunds as required under the Companies Act and any other applicable law, provided that such Selling Shareholder shall not be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholder.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Offer capital of our Company, lock-in of our Promoters' minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 70 and except as provided under the Articles of Association, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "*Description of Equity Shares and Terms of Articles of Association"* on page 312.

New financial instruments

Our Company is not issuing any new financial instruments through this Offer.

OFFER STRUCTURE

Offer of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to ₹[●] million, comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹1,650 million by our Company and an Offer for Sale of up to 5,142,067 Equity Shares aggregating up to ₹[●] million, comprising of up to 1,136,000 Equity Shares aggregating up to ₹[●] million by the Individual Selling Shareholder and up to 4,006,067 Equity Shares aggregating up to ₹[●] million by the Investor Selling Shareholder.

The Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company. The Offer includes a reservation of up to [●] Equity Shares, aggregating up to ₹[●] million, for subscription by Eligible Employees. The Employee Reservation Portion shall not exceed 5.00% of our post-Offer paid-up equity share capital. The Offer less the Employee Reservation Portion is the Net Offer. The Offer and Net Offer shall constitute [●]% and [●]% of the post-Offer paid-up equity share capital of our Company, respectively.

Our Company and the Selling Shareholders may, in consultation with the BRLMs consider a Pre-IPO Placement by our Company of an aggregate amount not exceeding ₹500 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and Selling Shareholders in consultation with the BRLMs, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

The Offer is being made through the Book Building Process.

Particulars	**Eligible Employees[#]**	**QIBs[(1)]**	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares available for Allotment/ allocation [(2)]	Up to [●] Equity Shares[##]	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer size available for Allotment/ allocation	The Employee Reservation Portion shall constitute up to [●]% of the post-Offer paid-up Equity Share capital of our Company	Not more than 50% of the Net Offer shall be available for allocation to QIBs. However, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs	Not less than 15% of the Offer or the Net Offer less allocation to QIBs and Retail Individual Bidders will be available for allocation	Not less than 35% of the Net Offer or Offer less allocation to QIBs and Non-Institutional Bidders will be available for allocation
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate, unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for value exceeding ₹200,000, subject to total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount if any).	Proportionate as follows (excluding the Anchor Investor Portion): (a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to 60% of the QIB Portion (of up to [●] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which	Proportionate	Allotment to each Retail Individual Bidder shall not be less than the maximum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details see, "*Offer Procedure*" on page 298

Particulars	Eligible Employees[#]	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
		one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price		
Minimum Bid	[●] Equity Shares	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	[●] Equity Shares
Maximum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion does not exceed ₹500,000, less Employee Discount, if any	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Net Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Net Offer (excluding the QIB Portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
Mode of Allotment	Compulsorily in dematerialised form			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share			
Trading Lot	One Equity Share			
Who can apply[(3)]	Eligible Employees	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, mutual funds registered with SEBI, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million National Investment Fund set up by the Government, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs.	Resident Indian individuals, Eligible NRIs on a non-repatriable basis, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, trusts and FPIs who are individuals, corporate bodies and family offices	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)
Terms of Payment	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[(4)] **In case of all other Bidders**: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder or by the Sponsor Bank through the UPI Mechanism (for Retail Individual Bidders) that is specified in the ASBA Form at the time of submission of the ASBA Form			
Mode of Bidding	Only through the ASBA process (except for Anchor Investors).			

* *Assuming full subscription in the Offer*

[#] *Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible*

Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. An Eligible Employee Bidding in the Employee Reservation Portion (subject to Bid Amount being up to ₹200,000) can also Bid in the Retail Portion, and such Bids shall not be considered multiple Bids. However, Bids by Eligible Employees Bidding in the Employee Reservation Portion and in the Non Institutional Portion shall be treated as multiple Bids. The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.

*Our Company and the Selling Shareholders in consultation with the BRLMs, may offer a discount of up to [●]% (equivalent of ₹[●] per Equity Share) to the Offer Price to Eligible Employees Bidding in the Employee Reservation Portion and which shall be announced at least two Working Days prior to the Bid/ Offer Opening Date.*

(1) *Our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For details, see "Offer Structure" on page 295.*

(2) *Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR in compliance with Regulation 6(1) of the SEBI ICDR Regulations.*

(3) *In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids, except as otherwise permitted, in any or all categories. Further, a Bidder Bidding in the Employee Reservation Portion may also Bid under the Net Offer and such Bids shall not be treated as multiple Bids. To clarify, an Eligible Employee Bidding in the Employee Reservation Portion above ₹[●] (net of Employee Discount, if any) shall not be allowed to Bid in the Net Offer as such Bids shall be treated as multiple Bids.*

(4) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*

Any unsubscribed portion remaining in the Employee Reservation Portion shall be added to the Net Offer. Allotment to an Eligible Employee in the Employee Reservation Portion may not exceed ₹ 200,000 in value (net of Employee Discount).

Only in the event of an under-subscription in the Employee Reservation Portion, post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 in value (net of Employee Discount).

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion, the Retail Portion or the Employee Reservation Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "*Terms of the Offer*" on page 291.

Withdrawal of the Offer

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right not to proceed with the Fresh Issue and the Selling Shareholders, reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared, and the Stock Exchanges will also be informed promptly.

If our Company and the Selling Shareholders, in consultation with the BRLMs withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the filing of the Prospectus with the RoC.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.*

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Bidders/Applicants; (v)Issuance of CAN and allotment in the Offer; (vi) General instructions (limited to instructions for completing the Bid Form); (vii) Submission of Bid cum Application Form; (viii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date and (xii) interest in case of delay in allotment or refund.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular has come into force for initial public offers opening on or after May 1, 2021 and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus.*

*The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs ("**UPI Phase III**"), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time.*

Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Further, our Company and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Offer.

Book Building Procedure

The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Net Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and the Selling Shareholders, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

The Offer includes a reservation of up to [●] Equity Shares, aggregating up to ₹[●] million, for subscription by Eligible Employees. The Employee Reservation Portion shall not exceed 5.00% of our post-Offer paid-up equity share capital subject to valid Bids being received at or above the Offer Price, net of Employee Discount, if any.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, for RIBs using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available with the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. RIBs can additionally Bid through the UPI Mechanism.

RIBs bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (using UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp

are liable to be rejected. RIBs using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	[●]
Anchor Investors	[●]
Eligible Employees bidding in the Employee Reservation Portion	[●]

**Excluding electronic Bid cum Application Forms*

Notes:

(1) Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com)

(2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. For ASBA Forms (other than RIBs using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI *circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M* dated March 16, 2021.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/ Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/ unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/ bearing on the Offer Bidding process.

Participation by Promoters and members of the Promoter Group of the Company, the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in the Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLMs) nor (ii) any "person related to our Promoters/ Promoter Group" shall apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to our Promoters/ Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with our Promoters or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

Our Promoters and members of our Promoter Group will not participate in the Offer, except to the extent of participation of one of our Promoters in the Offer for Sale.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and Selling Shareholders, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorise their respective SCSB to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorise their respective SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Our Company has, pursuant to a Board resolution dated May 6, 2021 and Shareholders resolution dated May 7, 2021, has increased the limit of investment of NRIs and OCIs from 10% to up to 24% of the paid-up equity share capital of the Company, provided that the shareholding of each NRI and OCIs shall not exceed 5% of the total paid-up equity capital of the Company on a fully diluted basis..

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

For details of investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 311. Participation of Eligible NRIs shall be subject to the FEMA Non-debt Instruments Rules.

Bids by HUFs

Hindu Undivided Families or HUFs, should be made in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-debt Instruments Rules, the total holding by each FPI, of an investor group, shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be the sectoral cap applicable to our Company, which is 74% of the total paid-up Equity Share capital of our Company on a fully diluted basis.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- FPIs which utilise the multi investment manager structure;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN).

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivate instruments is also required to ensure that any transfer of offshore derivative instruments issued by, or on behalf of it subject to, *inter alia*, the following conditions:

(a) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (such structure referred to as "**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in the Draft Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form "*exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus.*"

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the "**FPI Group**") shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer Equity Share capital shall be liable to be rejected.

Bids by SEBI registered VCFs, AIFs and FVCIs

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 ("**SEBI VCF Regulations**") as amended, *inter alia* prescribe the investment restrictions on VCFs, registered with SEBI. The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 ("**SEBI AIF Regulations**") prescribe, amongst others, the investment restrictions on AIFs. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 as amended ("**SEBI FVCI Regulations**") prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in an investee company directly or through investment in the units of other AIFs. A Category III AIF cannot invest more than 10% of the investible funds in an investee company directly or through investment in the units of other AIFs. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-

registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹500,000. The Allotment in the Employee Reservation Portion will be on a proportionate basis. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price provided that the Bid does not exceed ₹500,000.

However, Allotments to Eligible Employees in excess of ₹ 200,000 shall be considered on a proportionate basis, in the event of undersubscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (which will be less Employee Discount). Subsequent undersubscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer. Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. [●] colour form).

(b) The Bidder should be an Eligible Employee as defined. In case of joint bids, the first Bidder shall be an Eligible Employee.

(c) Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion.

(d) Only those Bids, which are received at or above the Offer Price, net of Employee Discount, if any would be considered for Allotment under this category.

(e) Eligible Employees can apply at Cut-off Price.

(f) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

(g) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer.

In case of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion. If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis.

Please note that any individuals who are directors, employees or promoters of (a) the BRLMs, Registrar to the Offer, or the Syndicate Members, or of the (b) 'associate companies' (as defined in the Companies Act, 2013, as amended) and 'group companies' of such BRLMs, Registrar to the Offer or Syndicate Members are not eligible to bid in the Employee Reservation Portion.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making

applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended, are broadly set forth below:

(a) equity shares of a company: the lower of 10%[*] of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer or health insurer;

(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or health insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

[*]*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

Insurance companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Selling Shareholders in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company and the Selling Shareholders in consultation with the BRLMs may deem fit.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditors, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Offer.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus.

General Instructions

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;

4. Ensure that you have mentioned the correct ASBA Account number if you are not an RIB using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

5. RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;

6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;

7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;

8. RIBs using UPI Mechanism, may submit their ASBA Forms with the Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;

9. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

10. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

11. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

12. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

13. RIBs Bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI (only for RIBs using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

14. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

15. Retail Individual Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs;

16. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

17. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

18. Ensure that the Demographic Details are updated, true and correct in all respects;

19. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

20. Ensure that the category and the investor status is indicated in the Bid cum Application Form;

21. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

22. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

23. Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

24. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;

25. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

26. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;

27. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;

28. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

29. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form; and

30. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors, RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);
3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
7. Do not submit the Bid for an amount more than funds available in your ASBA account.
8. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
9. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
10. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
11. Anchor Investors should not Bid through the ASBA process;
12. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
13. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
14. Do not submit the General Index Register (GIR) number instead of the PAN;
15. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
16. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
17. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
18. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
19. Do not submit a Bid using UPI ID, if you are not a RIB;
20. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
21. Do not Bid for Equity Shares in excess of what is specified for each category;
22. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
23. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids on or before the Bid/Offer Closing Date;
24. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
25. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;
26. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIBs using the UPI Mechanism;
27. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs Bidding using the UPI Mechanism;

28. Do not submit a Bid cum Application Form with a third-party UPI ID or using a third party bank account (in case of Bids submitted by Retail Individual Bidders using the UPI Mechanism);

29. RIBs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned in the list provided on the SEBI website is liable to be rejected; and

30. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to our Company Secretary and Compliance Officer. For details of our Company Secretary and Compliance Officer, see "*General Information*" on page 63.

Further, helpline details of the BRLMs pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 are set forth in the table below:

S. No.	Name of BRLM	Helpline	Telephone
1.	SBI Capital Markets Limited	windlas.ipo@sbicaps.com	+91 22 2217 8300
2.	DAM Capital Advisors Limited (Formerly IDFC Securities Limited)	windlas.ipo@damcapital.in	+91 22 4202 2500
3.	IIFL Securities Limited	windlas.ipo@iiflcap.com	+91 22 4646 4600

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares through the Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent of the Net Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Account(s) for Anchor Investors

Our Company and the Selling Shareholders in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders and the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre- Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) [●] editions of [●], an English national daily newspaper, and [●] editions of [●], a Hindi national daily newspaper, Hindi being the regional language of Uttarakhand, where our Registered Office is located, each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The above information is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Offer Price but prior to the filing of Prospectus.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- except for the Pre-IPO Placement, no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.
- Our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right not to proceed with the Fresh Issue, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed.
- If our Company and the Selling Shareholders, in consultation with the BRLMs withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

Undertakings by each of the Selling Shareholders

Each of the Selling Shareholders undertakes in respect of itself as a selling shareholder and its respective portion of the Equity Shares offered by it in the Offer for Sale that:

- the Equity Shares offered for sale by each of the Selling Shareholders in the Offer are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;
- the Equity Shares being offered for sale by the Selling Shareholders pursuant to the Offer are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances and shall be in dematerialised form at the time of transfer;

- it shall deposit its Equity Shares offered for sale in the Offer in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement;

- that it shall provide such reasonable assistance to our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer;

- it shall provide such reasonable cooperation to our Company in relation to the Equity Shares offered by it in the Offer for Sale for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges; and

- it shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from the Stock Exchanges has been received.

The decisions with respect to the Price Band, Employee Discount, the minimum Bid lot, revision of Price Band, Offer Price, will be taken by our Company and the Selling Shareholders in consultation with the BRLMs.

Utilisation of Offer Proceeds

Our Board of Directors certifies and declares that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

- details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

Our Company and each of the Selling Shareholders, specifically confirm and declare that all monies received out of the Offer shall be transferred to a separate bank account other than the bank account referred to in sub-section 3 of Section 40 of the Companies Act, 2013.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**"), which, with effect from October 15, 2020 consolidated and superseded all previous press notes, press releases, circulars and clarifications on FDI issued by DPIIT that were in force and effect as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in the Offer.

Foreign Exchange Laws

The foreign investment in our Company is governed by *inter alia* the FEMA, as amended, the FEMA Non-debt Instruments Rules, the FDI Policy issued and amended by way of press notes.

Our Company is engaged in the business of manufacturing, importing and exporting, supplying, assembling, distributing, processing, buying and selling factors for chemical, bulk drugs, pharmaceuticals, nutraceuticals, medicines, herbs and their extracts or other allied bye-products. Currently, in the pharmaceutical industry, foreign direct investment in brownfield pharmaceuticals up to 74% is permitted under the automatic route and beyond 74% is permitted under the government approval route. Further, foreign direct investment in greenfield pharmaceuticals up to 100% is permitted under the automatic route. In terms of the FEMA Non-debt Instruments Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

In terms of the FEMA Non-Debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. With effect from April 1, 2020, the aggregate limit for FPI investments shall be the sectoral cap applicable to our Company. In accordance with the FEMA Non-Debt Instruments Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed five percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States, and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being only offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs") in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs".

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below.

The Articles of Association of our Company comprise two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other until the commencement of the listing of Equity Shares pursuant to the Offer. In case of inconsistency or contradiction, conflict or overlap between Part A and Part B, the provisions of Part B shall, subject to applicable law, prevail and be applicable. All provisions of Part B shall automatically terminate and cease to have any force and effect from the date of listing of Equity Shares on a recognized stock exchange in India pursuant to the Offer and the provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action, by our Company or by its Shareholders.

PART A

Authorised Share Capital

The authorised share capital of the Company shall be such amount, divided into such class(es), denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum of Association, with power to increase or reduce such capital from time to time and power to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the Articles of the Company, subject to the provisions of applicable law for the time being in force.

Alteration of Capital

Subject to the provisions of the Act, the Company in its General Meetings may, by an Ordinary Resolution, from time to time:

a. increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;

b. divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference or special advantage in relation to dividend, capital or otherwise as compared with the others;

c. cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;

d. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; provided that any consolidation and division which results in changes in the voting percentage of Members shall require applicable approvals under the Act; and

e. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination.

Allotment of Shares

Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of all or any of such shares to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the Company in General Meeting give to any person the option or right to call for any shares either at par or at a premium during such time and for such consideration as the Board of Directors think fit.

Further Issue of Shares

(1) Where at any time the Board or the Company, as the case may be, propose to increase the subscribed capital by the issue of further shares then such shares shall be offered, subject to the provisions of section 62 of the Act, and the rules made thereunder:

   (i) to the persons who at the date of the offer are holders of the Equity Shares of the Company, in proportion as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions mentioned in (ii) to (iv) below;

   (ii) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed and not exceeding thirty days from the date of the offer, within which the offer if not accepted, shall be deemed to have been declined.

Provided that the notice shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue;

(iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (ii) shall contain a statement of this right;

(iv) After the expiry of time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that the person declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the Members and the Company;

(A) to employees under any scheme of employees' stock option subject to Special Resolution passed by the Company and subject to the rules and such other conditions, as may be prescribed under applicable law; or

(B) to any person(s), if it is authorised by a Special Resolution, whether or not those persons include the persons referred to in clause (A) or clause (B) above either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to compliance with the applicable conditions of Chapter III of the Act and any other conditions as may be prescribed under the Act and the rules made thereunder;

(2) Nothing in sub-clause (iii) of Clause (1)(A) shall be deemed:

(i) To extend the time within which the offer should be accepted; or

(ii) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares compromised in the renunciation.

(3) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares in the Company or to subscribe for shares of the Company:

Provided that the terms of issue of such debentures or loans containing such an option have been approved before the issue of such debentures or the raising of such loans by a Special Resolution passed by the Company in a General Meeting.

(4) Notwithstanding anything contained in Article 11(3) hereof, where any debentures have been issued, or loan has been obtained from any government by the Company, and if that government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion:

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to National Company Law Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.

A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the rules made thereunder.

Company's Lien on Shares/ Debentures

The Company shall subject to applicable law have a first and paramount lien on every share / debenture (not being a fully paid share / debenture) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share / debenture and no equitable interest in any share shall be created upon the footing and condition that this Article will have full effect. Unless otherwise agreed, the registration of transfer of shares / debentures shall operate as a waiver of the Company's lien, if any, on such shares / debentures.

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

The fully paid up shares shall be free from all lien and in the case of partly paid up shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

Certificates

Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors so determine) to

several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates, unless prohibited by any provision of law or any order of court, tribunal or other authority having jurisdiction, within two (2) months from the date of allotment, or within one (1) month of the receipt of application of registration of transfer, transmission, sub division, consolidation or renewal of any of its shares as the case maybe or within a period of six (6) months from the date of allotment in the case of any allotment of debenture. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such joint holders.

Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two directors or by a director and the company secretary, wherever the company has appointed a company secretary and the common seal it shall be affixed in the presence of the persons required to sign the certificate.

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued upon payment of such fees for each certificate as may be specified by the Board (which fees shall not exceed the maximum amount permitted under the applicable law). Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf. The provision of this Article shall *mutatis mutandis* apply to debentures of the Company.

Transfer of Shares

(a) The instrument of transfer of any share shall be in writing and all the provisions of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use the form of transfer, as prescribed under the Act, in all cases. In case of transfer of shares, where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.

(b) The Board may decline to recognize any instrument of transfer unless-

  (i) the instrument of transfer is in the form prescribed under the Act;

  (ii) the instrument of transfer is accompanied by the certificate of shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

  (iii) the instrument of transfer is in respect of only one class of shares.

(c) No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

Transmission of Shares

Subject to the provisions of the Act and these Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Members, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article, or of his title, elect to either be registered himself as holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder or to make such transfer of the share as the deceased or insolvent member could have made. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. Provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares. Further, all limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

Rights on Transmission

A person becoming entitled to a share by reason of the death or insolvency of the holder shall, subject to the Directors' right to retain such dividends or money, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may at any time give a notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety (90) days, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of such share, until the requirements of notice have been complied with.

Borrowing Powers

(a) Subject to the provisions of the Act and these Articles, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, debentures, perpetual or otherwise, including debentures convertible into shares of this Company or any other company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities; provided however, that the moneys to be borrowed, together with the money already borrowed by the Company apart from temporary loans (as defined under Section 180(1) of the Act) obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company by a Special Resolution at a General Meeting, exceed the aggregate of the paid up capital of the Company, its free reserves and securities premium. Provided that every Special Resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow shall specify the total amount up to which moneys may be borrowed by the Board of Directors.

(b) The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or managing Director or to any other person permitted by applicable law, if any, within the limits prescribed.

(c) To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and he same shall be in the interests of the Company.

(d) Any bonds, debentures, debenture-stock or other securities may if permissible under applicable law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, attending (but not voting) in the General Meeting, appointment of Directors or otherwise. Provided that debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

General Meetings

Annual General Meetings

(a) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year.

(b) An Annual General Meeting of the Company shall be held in accordance with the provisions of the Act.

Extraordinary General Meetings

All General Meetings other than the Annual General Meeting shall be called "Extraordinary General Meeting". Provided that, the Board may, whenever it thinks fit, call an Extraordinary General Meeting.

Extraordinary Meetings on Requisition

The Board shall, on the requisition of Members, convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under the Act.

Notice for General Meetings

All General Meetings shall be convened by giving not less than clear twenty one (21) days' notice, in such manner as is prescribed under the Act, specifying the place, date and hour of the meeting and a statement of the business proposed to be transacted at such a meeting, in the manner mentioned in the Act. Notice shall be given to all the Members and to such persons as are under the Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any Member or other person to whom it should be given shall not invalidate the proceedings of any General Meetings.

The Members may participate in General Meetings through such modes as permitted by applicable laws.

Shorter Notice Admissible

Upon compliance with the relevant provisions of the Act, an Annual General Meeting or any General Meeting may be convened by giving a shorter notice than twenty one (21) days.

Meetings of the Board

(a) The Board of Directors shall meet at least once in every three (3) months with a maximum gap of four (4) months between two (2) meetings of the Board for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with the Act, provided that at least four (4) such meetings shall be held in every year. Place of meetings of the Board shall be at a location determined by the Board at its previous meeting, or if no such determination is made, then as determined by the chairman of the Board.

(b) The chairman may, at any time, and the secretary or such other Officer of the Company as may be authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice of at least seven (7) days in writing of every meeting of the Board shall be given to every Director and every alternate Director at his usual address whether in India or abroad, provided always that a meeting may be convened by a shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting and in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.

(c) The notice of each meeting of the Board shall include (i) the time for the proposed meeting; (ii) the venue for the proposed meeting; and (iii) an agenda setting out the business proposed to be transacted at the meeting.

(d) To the extent permissible by applicable law, the Directors may participate in a meeting of the Board or any committee thereof, through electronic mode, that is, by way of video conferencing i.e., audio visual electronic communication facility. The notice of the meeting must inform the Directors regarding the availability of participation through video conferencing. Any Director participating in a meeting through the use of video conferencing shall be counted for the purpose of quorum.

Managing Director(s) and/ or Whole Time Directors

(a) The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the managing director and/ or whole time directors for such term and subject to such remuneration, terms and conditions as they may think fit.

(b) The Directors may from time to time resolve that there shall be either one or more managing directors and/ or whole-time directors.

(c) In the event of any vacancy arising in the office of a managing director and/or whole time director, the vacancy shall be filled by the Board of Directors subject to the approval of the Members.

(d) If a managing director and/or whole time director ceases to hold office as Director, he shall ipso facto and immediately cease to be managing director/whole time director.

(e) The managing director and/or whole time director shall not be liable to retirement by rotation as long as he holds office as managing director or whole-time director.

Appointment of Directors

Additional Directors

Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

Alternate Directors

(a) The Board may, appoint a person, not being a person holding any alternate directorship for any other director in the Company or holding directorship in the Company, to act as an alternate director for a director during his absence for a period of not less than 3 (three) months from India (hereinafter in this Article called the "Original Director").

(b) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he returns to India the automatic re-appointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

Appointment Of Director To Fill A Casual Vacancy

If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by members in the immediate next general meeting. The director so appointed shall hold office only up to the date which the director in whose place he is appointed would have held office if it had not been vacated.

Vote of Members

Voting Rights of Members

Subject to any rights or restrictions for the time being attached to any class or classes of shares:

(a) On a show of hands every Member holding Equity Shares and present in person shall have one vote.

(b) On a poll, every Member holding Equity Shares therein shall have voting rights in proportion to his share in the paid up equity share capital.

(c) A Member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

Proxy

Any Member entitled to attend and vote at a General Meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

Instrument of Proxy

An instrument appointing a proxy shall be in the form as prescribed under the Act for this purpose. The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorized in writing or if appointed by a body corporate either under its common seal or under the hand of its officer or attorney duly authorized in writing by it. Any person whether or not he is a Member of the Company may be appointed as a proxy.

The instrument appointing a proxy and power of attorney or other authority (if any) under which it is signed or a notarized copy of that power or authority must be deposited at the Office of the Company not less than forty eight (48) hours prior to the time fixed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in case of a poll, not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

Dividend

Company in General Meeting may Declare Dividend

The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

Interim Dividends

Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit and as appear to it to be justified by the profits of the company.

Dividends to be Apportioned

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

Dividends not to bear interest

No dividends shall bear interest against the Company.

Right to Dividend and Unpaid or Unclaimed Dividend

(a) Where capital is paid in advance of calls, such capital, whilst carrying interest, shall not confer a right to dividend or to participate in the profits.

(b) Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall within seven (7) days from the date of expiry of the said period of thirty (30) days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty (30)

days, to a special account to be opened by the Company in that behalf in any scheduled bank to be called "Unpaid Dividend Account of India Pesticides Limited".

(c) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company to the fund known as Investor Education and Protection Fund established under the Act.

(d) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

(e) All other provisions under the Act will be complied with in relation to the unpaid or unclaimed dividend.

Winding Up

Subject to the applicable provisions of the Act–

(a) If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.

(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

(d) Any person who is or has been a Director or manager, whose liability is unlimited under the Act, shall, in addition to his liability, if any, to contribute as an ordinary member, be liable to make a further contribution as if he were at the commencement of winding up, a member of an unlimited company, in accordance with the provisions of the Act.

Indemnity

Director's and Others' Right to Indemnity

Subject to the provisions of the Act, every Director and Officer of the Company shall be indemnified by the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the tribunal. Provided, however, that such indemnification shall not apply in respect of any cost or loss or expenses to the extent it is finally judicially determined to have resulted from the negligence, willful misconduct or bad faith acts or omissions of such Director.

Insurance

The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

PART B

Part B of the Articles of Association of the Company provides for the rights and obligations of the parties to the SHA and the WCA Agreement, entered into between the Promoter Trust, the Company, Tano, the Individual Promoters and Prachi Jain Windlass, Payal Windlass and Vimla Windlass. All articles of Part B shall automatically terminate, without any further corporate or other action by the Company or by its shareholders, and cease to have any force and effect from the date of listing of Equity Shares of the Company on a recognized stock exchange in India pursuant to the Offer and the provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action, by the Company or by its shareholders.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus/ Prospectus which will be filed with the RoC. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from date of the Red Herring Prospectus until the Bid/ Offer Closing Date.

A. Material Contracts for the Offer

a) Offer Agreement dated May 13, 2021 amongst our Company, the Selling Shareholders and the BRLMs.

b) Registrar Agreement dated May 10, 2021 amongst our Company, the Selling Shareholders and the Registrar to the Offer.

c) Cash Escrow and Sponsor Bank Agreement dated [●] amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Bank, Public Offer Account Bank and the Refund Bank(s).

d) Share Escrow Agreement dated [●] amongst the Selling Shareholders, our Company and the Share Escrow Agent.

e) Syndicate Agreement dated [●] amongst our Company, the Selling Shareholders, the BRLMs, and Syndicate Members.

f) Underwriting Agreement dated [●] amongst our Company, the Selling Shareholders and the Underwriters.

B. Material Documents

a) Certified copies of the Memorandum of Association, and Articles of Association of our Company, updated from time to time.

b) Certificate of incorporation dated February 19, 2001 issued to our Company, under the name Windlas Biotech Limited by the Registrar of Companies Delhi.

c) Certificate for commencement of business dated March 5, 2001 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana, at New Delhi.

d) Certificate of registration dated February 18, 2011 issued by the Registrar of Companies, Uttar Pradesh and Uttarakhand at Kanpur.

e) Certificate of incorporation dated July 22, 2016 issued to our Company by the Registrar of Companies, Uttarakhand at Kanpur, consequent upon change of name from Windlas Biotech Limited to Windlas Biotech Private Limited, pursuant to conversion to a private limited company.

f) Fresh certificate of incorporation dated April 15, 2021 issued by the RoC, consequent upon change from Windlas Biotech Private Limited to Windlas Biotech Limited, pursuant to conversion to a public limited company.

g) Resolutions of the Board of Directors dated April 27, 2021, authorising the Offer and other related matters.

h) Shareholders' resolution dated May 6, 2021, in relation to the Fresh Issue and other related matters.

i) Resolution of the Board of Directors dated May 13, 2021, approving the DRHP.

j) Consent letter dated May 5, 2021 provided by the Individual Selling Shareholder, consenting to participate in the Offer for Sale.

k) Consent letter and resolution each dated May 6, 2021 provided by the Investor Selling Shareholder consenting to participate in the Offer for Sale.

l) Copies of the annual reports of our Company for the Fiscals 2020, 2019 and 2018.

m) The examination report dated April 27, 2021 of the Statutory Auditors on our Restated Consolidated Financial Information.

n) The statement of possible special tax benefits dated May 13, 2021 from the Statutory Auditors.

o) Consent of the Directors, the Book Running Lead Managers, the Syndicate Members, Legal Counsel to the Company and the Selling Shareholders as to Indian Law, Legal Counsel to the Book Running Lead Managers as to Indian Law, International Legal Counsel to the BRLMs, Selling Shareholders, Registrar to the Offer, CRISIL Limited, Monitoring Agency, Escrow Collection Bank(s), Public Offer Account Bank(s), Refund Bank(s), Sponsor Bank, Company Secretary and Compliance Officer as referred to in their specific capacities.

p) Consent dated May 13, 2021 from S.S. Kothari Mehta & Company, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated April 27, 2021 on our Restated Consolidated Financial Information; and (ii) their report dated May 13, 2021 on the statement of tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

q) Report titled "Assessment of the Global and Indian pharmaceuticals industry", issued in "April 2021" issued by CRISIL Limited.

r) Scheme of amalgamation filed by our Company and Windlas Healthcare Private Limited under Section 233 of the Companies Act, 2013 with the Regional Director at New Delhi on October 31, 2020 to amalgamate Windlas Healthcare with and into our Company

s) Chartered engineer consent and certificate dated May 7, 2021 issued by Rajeev Kumar Gupta, Chartered Engineer.

t) Consent dated May 11, 2021 from Dr. Priyanka Mehta, GNP Legal Consulting as intellectual property consultant and certificate on the (i) patent and trademark filings and registrations of the Company, the Subsidiary and Joint Venture; and (ii) product filings and registrations of the Company, Subsidiary and Joint Venture in India and certain other jurisdictions, as of December 31, 2020.

u) Due diligence certificate dated May 13, 2021 addressed to SEBI from the BRLMs.

v) Windlas Biotech Limited - Employee Stock Option Plan 2021.

w) In-principle approvals dated [●] and [●], issued by BSE and NSE, respectively.

x) SEBI observation letter no. [●] dated [●].

y) Tripartite agreement dated March 23, 2021 amongst our Company, NSDL and Registrar to the Offer

z) Tripartite agreement dated March 10, 2021 amongst our Company, CDSL and Registrar to the Offer.

aa) Operating agreement of USpharma Windlas LLC dated May 25, 2016 between USpharma, Ltd. and Windlas Healthcare, amended operating agreement of USpharma Windlas LLC dated May 27, 2016 between USpharma, Ltd. and Windlas Healthcare, and assignment of membership interest, acceptance of assignment and ratification of operating agreement dated December 27, 2016 between USpharma, Ltd., Windlas Healthcare and Windlas, Inc.

bb) Share acquisition terms agreement dated July 18, 2015 between the Company, Windlas Healthcare, the Promoters and Tano India Private Equity Fund II, as amended by the share acquisition terms amendment agreement dated July 27, 2015.

cc) Share purchase agreement dated April 16, 2020 between the Company, Windlas Healthcare, Ashok Kumar Windlass, Hitesh Windlass, Manoj Kumar Windlass, and Cadila Healthcare Limited

dd) Share purchase agreement dated April 30, 2020 between the Company, Windlas Healthcare, Ashok Kumar Windlass, Hitesh Windlass, Manoj Kumar Windlass, and Cadila Healthcare Limited

ee) Shareholders' agreement dated July 18, 2015 entered into between our Company, Tano India Private Equity Fund II, Windlas Healthcare, Ashok Kumar Windlass, Hitesh Windlass, Manoj Kumar Windlass, Prachi Windlass, Payal Windlass, Vani Shukla and Vimla Windlass, as amended by the amendment agreement dated October 14, 2015 and the second amendment agreement dated September 4, 2018, and as amended further by the waiver cum amendment agreement to the shareholders' agreement dated May 10, 2021

ff) Deed of adherence dated May 10, 2021 entered into between Promoter Trust, the Company, and Tano, the Individual Promoters, Prachi Jain Windlass, Payal Windlass and Vimla Windlass

gg) Upside sharing letter under the shareholders' agreement dated December 14, 2018 between the Company, Windlas Healthcare, Tano India Private Equity Fund II, Ashok Kumar Windlass, Hitesh Windlass, Manoj

Kumar Windlass, Prachi Windlass, Payal Windlass, Vani Shukla and Vimla Windlass, as amended by the supplementary letter agreement dated May 10, 2021 to the upside sharing letter

hh) Employment agreement dated February 18, 2016 between our Company and Ashok Kumar Windlass

ii) Employment agreement dated April 30, 2020 between our Company and Hitesh Windlass

jj) Employment agreement dated April 30, 2020 between our Company and Manoj Kumar Windlass.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India and the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Vivek Dhariwal

Chairman and Non-Executive Independent Director

Place: Mumbai

Date: May 13, 2021

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India and the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Ashok Kumar Windlass

Wholetime Director

Place: Dehradun

Date: May 13, 2021

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India and the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Hitesh Windlass

Managing Director

Place: Gurgaon

Date: May 13, 2021

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India and the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Manoj Kumar Windlass

Joint Managing Director

Place: Dehradun

Date: May 13, 2021

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India and the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Pawan Kumar Sharma

Executive Director

Place: Dehradun

Date: May 13, 2021

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India and the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Prachi Jain Windlass

Non-Executive Director

Place: Gurgaon

Date: May 13, 2021

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India and the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Srinivasan Venkataraman

Non-Executive Independent Director

Place: Mumbai

Date: May 13, 2021

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India and the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Gaurav Gulati

Non-Executive Independent Director

Place: Gurugram

Date: May 13, 2021

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India and the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

Signed by the Chief Financial Officer of our Company

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Komal Gupta

Chief Financial Officer

Place: Gurgaon

Date: May 13, 2021

DECLARATION BY SELLING SHAREHOLDER

I, Vimla Windlass, confirm and certify that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself, as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility as a Selling Shareholder, for any other statements, including, any of the statements made or confirmed by or relating to the Company, the Investor Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

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Vimla Windlass

Date: May 13, 2021

Place: Dehradun

DECLARATION BY SELLING SHAREHOLDER

We, Tano India Private Equity Fund II, confirm and certify that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus about or in relation to us, as a Selling Shareholder and its portion of the Offered Shares, are true and correct. Tano India Private Equity Fund II assumes no responsibility as a Selling Shareholder, for any other statements, including, any of the statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

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Signed for and on behalf of **Tano India Private Equity Fund II**

Name: Jihane Muhamodsaroar

Designation: Director

Date: May 13, 2021

Place: Mauritius