Orchid Pharma

— A Dhanuka Group Company —

ANNUAL REPORT 2021-22

Shaping a Dream

Forward-looking statement

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

Vision

Become a composite and meaning fully integrated pharmaceutical corporation competing in differentiated arenas where greater, more sustainable value can be created

Corporate Information

Board of Directors

Shri Ram Gopal Agarwal, Chairman & Non-Executive Director

Shri Manish Dhanuka, Managing Director

Shri Mridul Dhanuka, Whole-time Director

Shri Arun Kumar Dhanuka, Non-Executive Director

Smt Tanu Singla, Independent Director

Dr Dharam Vir, Independent Director

Shri Mudit Tandon, Independent Director

Shri Manoj Kumar Goyal, Independent Director

Management Team

Shri Sunil Kumar Gupta, Chief Financial Officer

Dr R J Sarangdhar, Vice President (Unit Head – API & FDF)

Dr Srinivasan S, Head-CTD & IPM

Ms Nikita K, Company Secretary & Compliance Officer

Statutory Auditors

CNGSN & Associates LLP
Chartered Accountants
Flat No.6, Vignesh Apartments,
North Avenue, Srinagar Colony,
Chennai - 600 015, Tamil Nadu, India

Cost Auditors

Shri J Karthikeyan
Cost Accountant
No.16, Muthalamman Kovil Street
Selaiyur, Chennai - 600 086
Tamil Nadu, India

Secretarial Auditors

S Dhanapal & Associates
Practicing Company Secretaries
Suite No. 103, First Floor, Kaveri Complex,
No. 96/104, Nungambakkam High Road
Nungambakkam, Chennai – 600 034,
Tamil Nadu, India

Internal Auditor

M/s. Singhi & Co.
Chartered Accountants
Unit-11-D, 11th Floor, Ega Trade Centre,
809, Poonamallee High Road, Kilpauk,
Chennai - 600 010,India

Registrar and Share Transfer Agents (w.e.f. 30.07.2021)

Abhipra Capital Limited
A-387, Dilkhush Industrial Area,
G T Karnal Road, Azadpur
Delhi - 110033

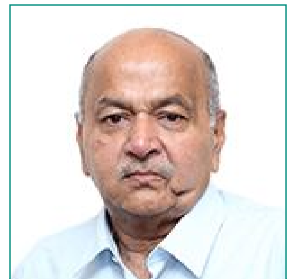
Banks / Financial Institutions

Union Bank of India
HDFC Bank Limited

Board of Directors

Shri Ram Gopal Agarwal
Chairman &
Non-Executive Director

Shri Manish Dhanuka
Managing Director



Shri Arun Kumar Dhanuka
Non-Executive Director

Shri Mridul Dhanuka
Whole-time Director

Dr Dharam Vir
Independent Director

Shri Manoj Kumar Goyal
Independent Director

Smt Tanu Singla
Independent Director

Shri Mudit Tandon
Independent Director

DELIVERING EXCELLENCE

is a practice we have built in Orchid through sustained strategic evolution. A global vision and strategy, passion for science and technology and an emphasis on execution and delivery have helped us achieve excellence in our growth journey. Our integrated business model enables us to cater to business opportunities throughout the pharmaceutical value chain, from research to delivery of drugs across all geographies. Our prudent choice of therapeutic areas combined with state-of-the art infrastructure makes us a preferred partner for the development and manufacture of pharmaceutical products. Our niche product basket helps us maintain an edge over our peers in the markets where we are present. Our strategic alliances ensure a wide market reach, enabling us to deliver not only quality products but also achieve better margins. Our strategy seeks to build a sustainable organizational eco-system where one is constantly motivated to attain new heights, empowered to discover new avenues and focused on delivering those commitments.

OrchidPharma
— A Dhanuka Group Company —

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Message from the Managing Director

Dear Shareholders

I am delighted to share with you, my message, through this annual report, summarizing Orchid's performance after the acquisition of your Company by Dhanuka Laboratories Limited in March 2020.

When I was inducted as the Managing Director of your company on June 29, 2020, my immediate priority was to strengthen the organizational core capabilities, bring greater stability and continuity to the business and enhance employee morale since your Company was under the Corporate Insolvency Resolution Process for more than two years. The company's core values and open culture led me to feel entirely at home immediately on joining, despite the turbulent time on the business front. For this, I would like to express my gratitude to all the former and current employees who have contributed to building the Orchid culture.

In the past couple of years, every one of us had witnessed tumultuous times with the widespread of COVID-19 pandemic including the disruptive impact caused on the Pharma Sector. Due to the imposition of lockdowns and restricted movements thereof, your company was also exposed to unprecedented challenges, however your Company had strived to ensure that the production at the manufacturing facilities and the supply chains continued undisrupted. Multiple initiatives were implemented for the safety of our employees, including adherence to the COVID safety protocols at the manufacturing facilities and other locations.

It has been two years since the company is functioning under the flagship of the Dhanuka Group and has been embracing the effective Organizational change resulting in enhanced performance and business growth. Your Company has undergone significant transformation and with the unstinted support and contribution of every Orchidian, the company has accomplished significant milestones during the last couple of years.

Post completion of the Corporate Insolvency Resolution Process, your company has crossed the revival phase and evidenced various positive developments. During the year, your Company had implemented significant steps to streamline and simplify the functioning and bring in greater efficiencies. Every passing quarter our performance improved driven by our focus on sustainable growth. During the fiscal, your Company had witnessed reduction of debts, positive trends in sales and operating profits and maintained efficient plant operations. I am elated to share that your Company has achieved an increase in Standalone revenues by 24% for the fiscal ended March 2022. We improved operational performance and margins by maximizing revenues and delivering on our cost optimization efforts. In the future, your company would also continue to evaluate organic and inorganic growth opportunities.

This year your Company would be marking its 30th Anniversary and as an organization, our constant endeavor would be to strengthen our core and transform into a future ready organization.

We have in place a detailed strategic plan to achieve significant growth in short, medium and long term. The key growth drivers would include scaling up of the existing products and launch of new products and penetrating into newer markets in both API and Formulations business. We also strive to accomplish a strong balance sheet with industry leading best practices.

I would like to thank our Board of Directors for their relentless pursuit of excellence throughout the last financial year.

We are grateful to the Central and State Governments and the Central DCGI and State FDAs for their support to the Company's business plans. Your Board places on record their appreciation of the support provided by the customers, suppliers, services providers, medical fraternity and business partners.

We are thankful to the esteemed shareholders for their support and encouragement. The Directors and the Management acknowledge and are thankful to the employees for their commitment and contributions for the revival of the businesses and operations.

Manish Dhanuka
Managing Director

Awards and Accolades

Dr R J Sarangdhar, Vice-President-Unit Head API & FDF received the Export Excellence award for the Financial year 2016-2017 under the "Category Exports above Rs.50 Crore" from Shri. R. N. Ravi - Hon'ble Governor of Tamilnadu – on behalf of Orchid Pharma Ltd., Alathur

Dr R J Sarangdhar, Vice-President-Unit Head API & FDF received the Export Excellence award for the Financial year 2017-2018 under the "Category Exports above Rs.50 Crore" from Shri. R. N. Ravi - Hon'ble Governor of Tamilnadu – on behalf of Orchid Pharma Ltd., Alathur

Dr R J Sarangdhar, Vice-President-Unit Head API & FDF received the Export Excellence award for the Financial year 2018-2019 under the "Category Exports between Rs.10 Crore to 50 Crore" from Smt. Malini Shankar - IAS, Vice Chancellor of Indian Maritime University – on behalf of Orchid Healthcare, Irungattukottai

Dr R J Sarangdhar, Vice-President-Unit Head API & FDF received the Export Excellence award for the Financial year 2018-2019 under the "Category Exports above Rs.50 Crore" from Smt. Malini Shankar - IAS, Vice Chancellor of Indian Maritime University – on behalf of Orchid Pharma Ltd., Alathur

Dr R J Sarangdhar, Vice-President-Unit Head API & FDF received the Export Excellence award for the Financial year 2019-2020 under the "Category Exports above Rs.50 Crore" from Smt. Anupriya Singh Patel, Hon'ble Minister of State for commerce and Industry, Govt. of India

Azadi Ka Amrit Mahotsav
MEPZ
EXPORT EXCELLENCE AWARD
2018-19
1st Place
Highest Export in Chemicals, Plastics & Rubber, Pharmaceuticals & Drugs
(Category : Above ₹ 10 Crore below ₹ 50 Crore)
Orchid Healthcare Unit - II
(EOU)
MEPZ
EXPORT EXCELLENCE
AWARD
2016-2017
2nd Place
Highest Exports in
Pharmaceuticals, Plastic & Rubber,
Chemical & Allied Sector
(Exports > ₹50 Crore)
M/s. Orchid Pharma Limited
(EOU)
MAKE IN INDIA
Azadi Ka Amrit Mahotsav
MEPZ
EXPORT EXCELLENCE AWARD
2018-19
2nd Place
Highest Employment in Chemicals, Plastics & Rubber, Pharmaceuticals & Drugs
M/s. Orchid Pharma Limited
(EOU)
Azadi Ka Amrit Mahotsav
MEPZ
EXPORT EXCELLENCE AWARD
2019-20
2nd Place
Highest Exports in Chemicals,
Plastics & Rubber, Pharmaceuticals & Drugs
(Category: Above ₹50 Crore)
M/s. Orchid Pharma Limited
(EOU)
Azadi Ka Amrit Mahotsav
MEPZ
EXPORT EXCELLENCE AWARD
2018-19
2nd Place
Highest Export in Chemicals, Plastics & Rubber, Pharmaceuticals & Drugs
(Category : Above ₹ 50 Crore)
M/s. Orchid Pharma Limited
(EOU)

Safe environment-Safe life

Tree plantation-World Environment day

SAFETY EXCELLENCE

Safety first

At Orchid, safety is a part of the corporate culture. This includes infrastructural, employee, environmental and community safety. Starting with the employee induction programme, training programmes on various aspects of operational safety are periodically conducted. In association with a global expert on safety procedures, a number of initiatives have been designed to ensure that all manufacturing processes and systems are executed in the safest manner. These include:

- Use of high-end technologies to recycle discharge and make it toxic free through a series of processes thereby leading to zero discharge manufacturing
- Three-tier safety committees to monitor safety initiatives, standard operating procedures (SOPs), process and working standards for R&D and manufacturing units
- Round-the-clock medical care and safety training for all employees
- Use of sophisticated equipment in mobile vans to monitor air quality inside and outside plants

Safety vision

To become a world-class, safety-driven pharmaceutical organisation by conducting our business processes and operations with commitment to the highest standards of safety, health and environment.

Safety goal

Our safety vision is inspired by a succinctly stated goal – 'Zero Incident'.

We believe the goal of a zero incident workplace is achievable by developing and maintaining management systems that allow us to control risk by ensuring engineering controls and administrative controls. Our ultimate goal is to have zero accidents, zero injuries and zero fatalities – leading to zero incidents.

Our Safety Principles

The company formulated seven safety principles:

- Safety is a core organisational value.
- Management is responsible for preventing injuries.
- All injuries can be prevented and occupational exposures minimised.
- All incidents must be reported and acted upon.
- Working safely is a condition of employment and contract.
- Training employees in safety is essential.
- Safety makes good business.

Tara – Our face of safety

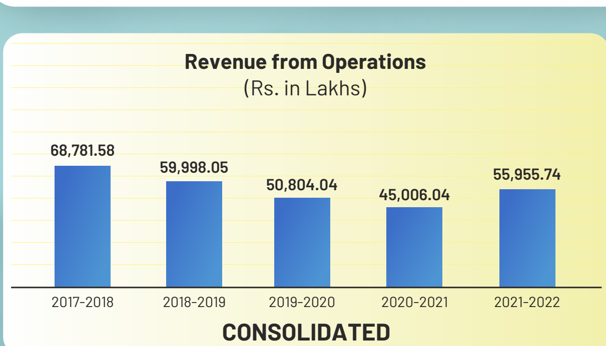
At Orchid, safety is a culture and has always been kept at the forefront. We treasure our employees and value our infrastructure thereby inculcating the highest levels of safety standards. Tara represents our movement for a safer world.

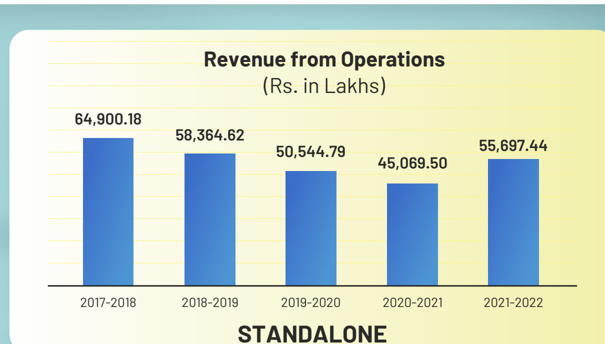
Tara was born as the outcome of our desire to have a symbol that reinforces our concern for safe practices for a safer world. Tara, a young girl child reminds someone is waiting back home – an emotional imperative to consciously adhere to safe practices. She communicates a simple reality – that safety is important not just for us today, but for our future generations as well.

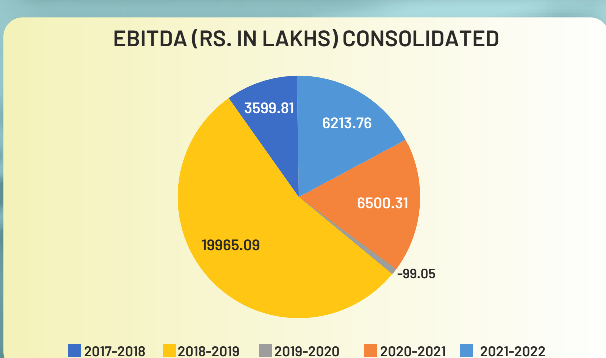
Financial Highlights

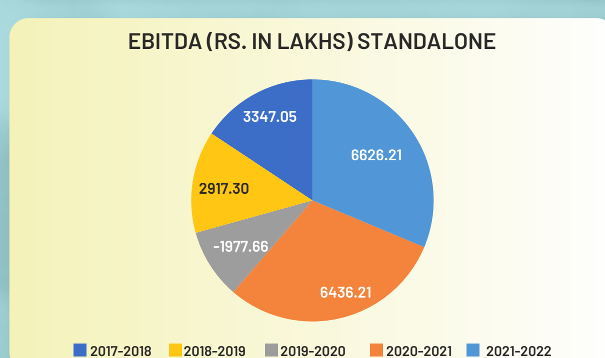
Rs in Lakhs

Particulars	CONSOLIDATED					STANDALONE				
	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Revenue from operations	55,955.74	45,006.04	50,804.04	59,998.05	68,781.58	55,697.44	45,069.50	50,544.79	58,364.62	64,900.18
Total income	56,856.03	46,527.20	53,252.86	61,690.89	70,811.94	56,597.73	45,715.61	52,993.61	60,057.46	66,886.90
EBITDA	6,213.76	6,500.31	-99.05	19,965.09	3,599.81	6,626.21	6,436.21	-1,977.66	2,917.30	3,347.05
PBIT	-2,488.70	-4,391.33	-12,691.16	6,970.75	-9,731.48	-2,075.87	-4,453.66	-14,567.73	-10,075.17	-9,982.24
PBT	-5,689.87	-9,524.89	-13,107.01	6,940.79	-39,896.28	-5,277.04	-9,587.22	-14,983.58	-10,105.13	-40,147.04
PAT	-5,689.87	-9,524.89	-13,107.01	6,940.79	-35,276.84	-5,277.04	-9,587.22	-14,983.58	-10,105.13	-35,527.60
Profit / Loss from Discontinuing Operations	5,847.02	-2,128.11	-	-	-	4,796.32	-2,128.11	-	-	-
Share of loss of Associates	-352.27	-	-	-	-	-	-	-	-	-
Net fixed assets	58,370.28	67,044.54	103,888.48	125,626.18	138,620.26	58,365.32	67,038.71	103,880.86	116,134.97	129,127.75
Net working capital	20,910.75	40,777.53	40,639.95	-157,808.22	-133,356.79	24,147.61	44,138.00	44,360.39	-152,925.18	-128,948.65
Non current investments	4,549.08	40.44	33.82	47.21	107.07	4,901.35	40.44	33.83	47.21	12,476.97
Shareholders networth	64,737.99	65,290.78	102,435.73	-70,403.75	-79,175.97	67,795.26	68,133.68	105,619.79	-75,499.06	-67,413.46
Loan funds	26,795.36	45,274.00	50,147.07	212,009.71	258,820.19	26,795.36	45,274.00	50,147.07	212,009.71	258,820.19
Stock information										
Number of shares	40,816,400	40,816,400	88,964,327	88,964,327	88,964,327	40,816,400	40,816,400	88,964,327	88,964,327	88,964,327
Earnings per share-Basic	-0.48	-28.55	-14.75	7.80	-39.65	-1.18	-28.70	-16.87	-11.36	-39.93
Earnings per share-Diluted	-0.48	-28.55	-14.75	7.80	-39.65	-1.18	-28.70	-16.87	-11.36	-39.93









Board's Report

Dear Members

Your Board of Directors have pleasure in presenting the Twenty Ninth (29th) Board's Report together with the Audited Financial Statements of the Company for the Financial Year ended March 31, 2022.

Financial summary / Performance /State of Company's affairs

The Highlights of the standalone and consolidated financial results for the Financial Year 2021-2022 as per the IND AS are given below:-

(Rs. in Crores)

Particulars	Standalone		Consolidated	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
Sales & Operating Income	556.97	450.70	559.56	450.06
Other Income	9.00	6.46	9.00	15.21
Total Expenditure	499.72	392.79	509.95	400.27
Gross Profit /(Loss)	66.26	64.36	58.61	65.00
Interest & Finance Charges	32.01	51.34	32.01	51.34
Gross Profit after Interest but before Depreciation and Taxation	34.25	13.03	26.60	13.67
Depreciation	87.02	108.90	87.02	108.92
Profit / (Loss) before Tax and extraordinary items	(52.77)	(95.87)	(60.42)	(95.25)
Exceptional items – [Income / (Expenditure)]	-	-	-	-
Profit / (Loss) Before Tax	(52.77)	(95.87)	(60.42)	(95.25)
Current & Deferred Tax	-	-	-	-
Profit /(Loss) after Tax - Continuing Operations	(52.77)	(95.87)	(60.42)	(95.25)
Profit / Loss from discontinued operations after tax	47.96	(21.28)	58.47	(21.28)
Loss for the year	(4.81)	(117.15)	(1.95)	(116.53)
Re-measurement of post-employment benefit obligations	1.46	0.60	1.46	0.60
Gain /(Loss) on fair valuation of the Investments	(0.04)	0.07	(0.04)	0.07
Comprehensive Loss for the Year	(3.38)	(116.49)	(0.53)	(115.87)

Business segments

Your Company operates in one business segment viz., pharmaceuticals in which the Company drives its sales through Active Pharmaceutical Ingredients (APIs). The Company has a strong pipeline of products in Cephalosporins to cater to the need of various international markets. The Company has a strong global presence with a wide customer base. The Company's manufacturing facilities have the capabilities to manufacture various APIs by unique techniques / emerging Technologies, in which different kind chemical reactions are involved like alkylation, amidation, esterification, Halogenations, Mesylation reaction, Witting reactions, Ring expansion reactions, protection/deprotection reaction, Enzymatic reaction etc. Orchid Pharma's key focus area comprise of developing New Chemical Entities, New Drug applications, adding 5th generation Oral & Sterile cephalosporin human/veterinary drugs with our world class manufacturing facility , strong intellectual property team having expertise and experience in chemistry, analytical techniques, dosage forms and global patent law.

Standalone Financials

During the financial year 2021-2022, your Company achieved a turnover and operating income of Rs. 556. 97 crores against Rs. 450.70 crores in 2020-2021. The Gross Profit before interest, depreciation and taxes during the year stood at Rs.66.26 crores against a Gross Profit of Rs.64.36 crores in 2020- 2021. After providing for interest expense, depreciation, exceptional item, the Loss before tax of the Company for the year was Rs. 52.77 Crores against Rs. 95.87 crores in 2020- 2021. The Comprehensive Loss stood at Rs.3.38 crores during 2021-2022 against Rs. 116.49 crores in 2020-2021.

Consolidated Financials

During the financial year 2021-2022, your Company achieved a turnover and operating income of Rs. 559.56 crores as against Rs. 450.06 crores in 2020- 2021. The Gross Profit before interest, depreciation and taxes during the year stood at Rs. 58.61 crores against a Gross Profit of Rs. 65.00 crores in 2020- 2021. After providing for interest expense, depreciation, exceptional item, the Loss before tax of the Company for the year was Rs. 60.42 Crores against a loss of Rs. 95.25 crores in 2020-2021. The Comprehensive Loss stood at Rs. 0.53 crores during 2021-22 against a loss of Rs.115.87 crores in 2020-2021. You will appreciate that despite of lock down across the country due to Covid 19 pandemic, most of the plants of your Company were in operation and utilizing maximum capacity of the same and your Company managed to sustain standalone sales of Rs.556.97 crores but could not achieve gross margins due to the reduced turnover.

Capex and liquidity

During the year, the Company has spent Rs. 38.00 lakhs on Plant & Equipment, etc., largely towards balancing facilities and essential sustenance capital items. As on March 31, 2022, the long-term secured financial facility availed by the Company is Rs. 147.78 crores.

Material events during the year under review

Scheme of Amalgamation and Arrangement of Dhanuka Laboratories Limited with Orchid Pharma Limited.

During the year under review, the Scheme of Amalgamation and Arrangement of Dhanuka Laboratories Limited ('Transferor Company') with and into Orchid Pharma Limited (' Transferee Company') and their respective shareholders and creditors ('Scheme') in compliance with Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 ("the Act") as reviewed and recommended by the Audit Committee and the Independent Directors was approved by the Board. The implementation of the aforesaid Scheme, which is subject to the approval of Shareholders and other Statutory authorities would inter-alia enable both the transferor and transferee Companies to realize benefit of greater synergies between their businesses, achieve wider product offerings and geographical footprints, consolidate operations thereby leveraging the capability of the Amalgamated company, yield beneficial results and pool financial resources as well as managerial, technical, distribution and marketing resources of each other in the interest of maximizing value to their Shareholders and the Stakeholders and aid in achieving economies of scale. The Company had submitted applications to the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") towards the aforesaid Scheme and has received the "No Objection certificates" from NSE on March 29, 2022 and BSE on March 30, 2022. Further, the First motion application towards the aforesaid Scheme has been submitted to the National Company Law Tribunal and the approval is awaited.

Future Outlook

It is been more than two years now since the implementation of the approved Resolution plan and your Company is moving in the positive direction. Huge efforts are required still towards rebuilding the organization and taking it to greater heights. In financial terms, the objective of your Company is to lower earnings volatility, strive for higher predictable and calibrated growth and improve Sales, EBITDA margin and reduce debt. The target is to stay cash flow positive and expand earnings year-on-year. Your Company is striving hard to reverse the direction of the downward curve by ramping up businesses and achieve sizeable growth. The greatest challenge your Company is facing is to achieve growth and profit margins, inspite of the COVID 19 pandemic situation which has resulted in a significant reduction in Anti-Biotics demand across the world. The Board and the Management of your Company are committed and will put in their best efforts to turnaround your Company with optimum cost structure.

Management Discussion and Analysis report

A report on the Management Discussion and Analysis in terms of the provisions of Regulation 34 (2) (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Listing Regulations" is provided as a separate annexure in the annual report.

Corporate Governance Report and Additional Shareholder's information

A report on the Corporate Governance systems and practices of your Company along with a certificate of compliance from the Practising Company Secretary is given in Annexure IV which forms part of this report.

Board Committees

The details pertaining to the Audit Committee and other Committees of the Board are provided in the Corporate Governance section forming part of this report. All the recommendations made by the Committees of the Board including the Audit Committee were accepted and implemented by the Board. During the year under review, there was no change in the composition of any of the committees.

Adequacy of Internal Financial Control System

The Internal Financial Control over Financial Reporting System are existing and operative, however based on the observations of the auditors, the Company is further strengthening the Internal Financial Control systems over financial reporting.

Regulatory Filings and Approvals

In the generic formulations domain, the existing approval of 11 ANDAs in Cephalosporins segment have been transferred to Bion Pharma Inc ("Bion") out of which 6 ANDA's are withdrawn and 5 ANDA's are retained with Bion. In the API (Active Pharmaceutical Ingredients) domain, Orchid's cumulative filings of US DMF stand at 46. The break-up of the total filings is 28 in the Cephalosporin Segment and 18 in NPNC segment. In European market space the cumulative filings of COS (Certificate of Suitability) count remained at 17 (15 approved and 2 under review) which pertains to the cephalosporin segment. In the Japan market, the cumulative filings of JDMFs count remained at 8 all in Cephalosporin segment.

Intellectual Property Rights

The total number of active patent portfolio maintained by Orchid in various national and international patent offices so far is 29 including Process & New Chemical Entities (NCE). Out of 29 patents, 19 patents have been granted, 8 patent applications are published and 2 patent applications filed as of March 31, 2022.

Dividend & Reserves

In view of the net loss incurred during the financial year ended March 31, 2022, the Board does not recommend any dividend to the shareholders of the Company. Also, no amount has been transferred to the reserves.

Export Excellence Awards

During the year under review, your Company's Active Pharmaceuticals Ingredients (API) manufacturing Unit, Alathur and Finished Dosage Formulations (FDF) manufacturing Unit, Irungattukottai (IKKT) were chosen for the Export Excellence Awards by the Ministry of Commerce & Industry, Government of India based on the criteria enumerated below and performance of your Company during the financial years 2016-2017 to 2019-2020.

Year of award	Criteria & Position
2016-2017	API Unit, Alathur-Exports 2nd place *Highest Exports in Pharmaceutical, Plastic & Rubber, Chemical & Allied Sector* *(Category: Above Rs.50 Crores)*
2017-2018	API Unit, Alathur-Exports 1st place *Highest Exports in Pharmaceutical, Plastic & Rubber, Chemical & Allied Sector* *(Category: Above Rs.50 Crores)*
2018-2019	Orchid Healthcare Unit-II 1st place Highest Exports in Chemicals, Plastics & Rubber, Pharmaceuticals & Drugs (Category: Above Rs.10 Crores below Rs.50 Crores)
2018-2019	API Unit, Alathur 2nd place Highest Employment in Chemicals, Plastics & Rubber, Pharmaceuticals & Drugs
2018-2019	API Unit, Alathur-Exports 2nd place Highest Exports in Chemicals, Plastics & Rubber, Pharmaceuticals & Drugs (Category: Above Rs.50 Crores)
2019-2020	API Unit, Alathur-Exports 2nd place Highest Exports in Chemicals, Plastics & Rubber, Pharmaceuticals & Drugs (Category: Above Rs.50 Crores)

Dividend Distribution Policy

Regulation 43A of the Listing Regulation, as amended, requires the top 1000 listed entities, computed based on market capitalization as on March 31 of every Financial Year, to formulate a Dividend Distribution Policy and disclose the same on the website of the Company and a web link of the policy be disclosed in the Annual Report.

The Board of Directors of the Company has adopted a Dividend Distribution Policy which aims to ensure fairness, sustainability and consistency in distributing profits to the

Shareholders. The Policy is available on the website of the Company i.e., www.orchidpharma.com/downloads/Dividend%20Distribution%20policy.pdf

Business Responsibility Reporting

As stipulated under the Listing Regulations, the Business Responsibility Report (BRR) describing the initiatives undertaken by the Company from an environment, social and governance perspective is given in Annexure X which forms part of this report.

Employees Stock Option Plan

The Employee stock options plans namely a) ORCHID ESOP 2010, b) ORCHID ESOP – DIRECTORS 2011 and c) Orchid ESOP – Senior Management 2011 have all lapsed quite a few years ago. Moreover, these schemes are no longer a desirable and viable employee benefit; all the above three ESOP Schemes have become infructuous and hence have been terminated.

Subsidiaries & Step down Subsidiaries

Bexel Pharmaceuticals Inc., USA (Bexel)

Bexel was incorporated basically to conduct Research & Development activities in new drug discovery segment. The current Bexel IP portfolio is being maintained by Global IP Unit of your Company.

Orchid Pharmaceuticals Inc., USA

Orchid Pharmaceuticals, Inc., is a wholly owned Delaware based subsidiary of your Company and also the holding company in the United States, under which all the operational business subsidiaries have been structured. The Company currently has two operating Subsidiaries, namely Orgenus Pharma Inc., and Orchid Pharma Inc., in the US. Orgenus Pharma Inc., is the entity that provides all business development and operational services for the parent Company including the initiation of marketing alliances with partner companies. It continues to represent your Company for all matters relating to the review and approval of such filings by the FDA and handling of logistics and product importation into the US as the Importer of Record for the US Customs. Orchid Pharma Inc., is the commercial entity that started direct marketing and selling your Company's products in the US generics market place. Orchid Pharma Inc., has established a strong corporate image for your Company in the US.

Diakron Pharmaceuticals Inc., USA

Orchid's stake in Diakron has been a part of the original transaction which includes direct investment and Master Services Agreement (MSA). Though your Company has completed most of its MSA obligations to develop and supply clinical quantities of API and extended release formulation a sizeable outstanding liabilities is still in its Books. A proper evaluation of cost and benefit would be done for revival and funding.

Orchid Europe Limited, United Kingdom

Your Company's subsidiary in Europe namely Orchid Europe Limited (OEL) is a wholly owned subsidiary which provides liaising support to the parent Company and its customers in Regulatory, Pharma covigilance, Testing & Release, Retention of samples, Service Providers and Business Development in Europe.

Orchid Pharmaceuticals (South Africa) Proprietary Limited, South Africa

Your Company's wholly owned subsidiary, Orchid Pharmaceuticals (South Africa) Proprietary Limited, was incorporated in the year 2006 mainly to register and market your Company's products in South Africa. As not much progress has happened so far, the Board of your company has decided to wind up this entity.

Associate

During the year under review, your Company had subscribed to equity shares constituting 26% of paid up equity share capital of M/s OrBion Pharmaceuticals Private Limited ("OrBion") by virtue of which the Company has become an Associate of your Company. The total shares subscribed by your Company in OrBion as on March 31,2022 is 4,55,00,000 equity shares of Rs.10/- each constituting 26% of paid up equity share capital of M/s OrBion Pharmaceuticals Private Limited.

Orchid Bio-Pharma Limited

Orchid Bio-Pharma limited was incorporated as Indian Wholly owned Subsidiary ("WoS") of your Company on March 24, 2022. The main object of the aforesaid WoS is manufacturing of biotech chemicals, intermediates and biotechnology products. The WoS is yet to commence its business operations.

There are no Companies / Bodies Corporate which have ceased to be subsidiary / Joint Venture / Associate during the financial year 2021-2022. The Company did not have any material subsidiary as on March 31, 2022.

Highlights of the performance of Subsidiaries & Associate their contribution to the overall performance of the Company during the period under report

One of the Subsidiary Companies contributed 1.89 % of the consolidated sales of the Company. The Company accesses the US market through this subsidiary and expects reasonable growth in the US market in the years to come either through its wholly owned subsidiary or directly. The R&D subsidiaries of the Company were used for carrying out Research & Development of selected molecules, having good potential. Your Company has a subsidiary for holding Product registrations and approvals in Europe. The Board and Management is reviewing the operations of all the subsidiaries and representative offices of your Company and would take appropriate steps for either the revival of its businesses based on cost-benefit analysis or their closure to save costs.

For the Financial Year ended March 31, 2022, OrBion Pharmaceuticals Private Limited, Associate of your company had registered a net income of Rs. 2050.42 Lakhs with net loss of Rs. 1354.87 Lakhs.

Consolidated financial statements

Pursuant to Section 129(3) of the Companies Act, 2013, the Consolidated Financial Statements presented by the Company include the financial statements of its subsidiaries. Further, a statement containing the salient features of the financial statements of the Subsidiaries and Associate of the Company in the prescribed form AOC-1 is given in Annexure-VII & forms part of this report. This statement also provides the details of the performance and financial position of each subsidiary in accordance with Section 136 of the Companies Act, 2013.

Directors and Key Managerial Personnel

As at 31st March 2022, the Board of your Company comprised of eight Directors of which 4 (four) are independent. There was no change in the Directors and Key Managerial Personnel during the financial year 2021-2022.

Names of the Directors retiring by rotation at the ensuing Annual General Meeting and whether or not they offer themselves for re-appointment

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri Ram Gopal Agarwal (DIN:00627386), Chairman and Non-Executive Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends the re-appointment of Shri Ram Gopal Agarwal.

Extract of Annual Return

In accordance with Section 92(3) of the Companies Act, 2013, every company shall place a copy of the annual return on the website of the Company, if any, and the web-link of such annual return shall be disclosed in the Board's report. A copy of the Annual return of the Company is available on the website of the Company and can be accessed at the following web-link: http://orchidpharma.com/downloads/annualreports

Board meetings held during the year

During the year under review, Seven (7) meetings of the Board of Directors were held. The Board Meetings were held in accordance with the provisions of the Companies Act, 2013 & the relevant rules made there under and the Listing Regulations. The details of the Board and committee meetings held are furnished in the Corporate Governance Report forming part of this report.

Director's Responsibility Statement

Pursuant to the provisions contained in Section 134 (3)(c) of the Companies Act, 2013, the Board to the best of its knowledge and belief and according to the information and explanations obtained by it confirms that:

a) In the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended March 31, 2022 and of the profit and loss of the company for that period;

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

d) The Directors have prepared the Annual accounts for the financial year ended March 31, 2022 on a going concern basis;

e) The Directors have laid down Internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

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

Nomination & Remuneration policy

This Policy lays down standards with respect to the appointment, remuneration and evaluation of Senior Management Personnel, Directors and Key Managerial Personnel of the Company. The Policy is available on the website of the Company and the web-link for the same is www.orchidpharma.com/downloads/NOMINATION_AND_REMUNERATION_POLICY.pdf

Appointment and Remuneration of Non- Executive Directors

Non-Executive Directors are entitled to receive sitting fees for attending the meetings of the Board or Committee thereof, as approved by the Board and within the overall limits prescribed under the Companies Act, 2013 and rules made thereunder.

The Criteria for determining independence of a director are based on the academic accomplishments, qualifications, expertise and experience in their respective fields, diversity of the Board, global exposure, professional network, technical expertise, functional domain expertise, independence and innovation.

The Company has received the necessary declarations from each Independent Director in accordance with Section 149 (7) of the Act confirming that he/she meets the criteria of independence as laid out in Section 149 (6) of the Act and in accordance with Regulations 16 (1) (b) and 25 (8) of the Listing Regulations, 2015.

Further, the Board after taking these declarations/ disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are independent of the Management. All the Independent Directors have been registered and are members of Independent Directors Databank maintained by the Indian Institute of Corporate Affairs and whoever be required to qualify the online proficiency self-assessment test will be complied in due course of time, if any.

Opinion of the Board

The Board opines that all the Independent Directors of the Company strictly adhere to corporate integrity, possesses requisite expertise, experience and qualifications to discharge the assigned duties and responsibilities as mandated by the Companies Act, 2013 and Listing Regulations diligently.

Related Party Transaction Policy

Your Company has framed a Related Party Transaction Policy in compliance with Section 177 of the Companies Act 2013 and Regulation 23 of the Listing Regulations in order to ensure proper reporting and approval of transactions with related parties. The Policy is available on the website of the Company and the web-link for the same is www.orchidpharma.com/downloads/Policy%20on%20materiality%20and%20dealing%20with%20Related%20Party%20Transactions.pdf. All the transactions entered with the related parties were in ordinary course of business and on arm's length basis except for the purchase of land and buildings from M/s. Dhanuka Laboratories Limited and M/s. Synmedic Laboratories Limited which were not in the ordinary course of business.

Justification for entering into contracts / arrangements with related parties which are not in the ordinary course of business

The purchase of land and buildings from M/s. Dhanuka Laboratories Limited and M/s. Synmedic Laboratories Limited which was at arm's length and not in the ordinary course of business of the Company was aimed at enhancing the operational efficiency of your Company and maximizing the Shareholder's value. The aforesaid transactions is in the best interest of the Company. The Audit committee of the Board had reviewed the aforesaid transactions including the valuation reports and the transaction was effected with the approval of the Board of Directors and Prior approval of the Shareholders of the Company. The details of 'material' contracts or arrangements or transactions in form AOC-2 is given in Annexure VIII to this report.

Corporate Social Responsibility (CSR)

Your Company does not meet the thresholds as prescribed under Section 135 (1) of the Companies Act, 2013 and hence the constitution of the CSR Committee is not applicable. However, the erstwhile Board of the Company has approved the CSR policy and the same is available on the website of the Company and the web- link for the same is www.orchidpharma.com/downloads/CSR-POLICY.pdf

Since the Company did not have any profits for the last three financial years, your company is not mandatorily required to contribute towards CSR activities.

Material changes and commitment, if any, affecting financial position of the Company from the end of Financial Year and till the date of this Report

Except otherwise stated herein in this Report, there are no material changes and commitment affecting financial position of the Company from the end of Financial Year March 31, 2022 and till the date of this Report.

Conservation of Energy

Your Company has always been striving in the field of energy conservation. With the available limited resources, certain measures to conserve energy and to reduce associated costs were taken in a small way during the fiscal under review. The particulars in respect to conservation of energy as required under Section 134 (3)(m) of the Companies Act, 2013, are given in Annexure I to this report.

Technology Absorption

The particulars in respect of R&D/Technology absorption as required under Section 134 (3) (m) of the Companies Act, 2013, are given in Annexure II to this report.

Foreign Exchange Earnings and Outgo

The particulars in respect of Foreign Exchange Earnings and Outgo as required under Section 134 (3) (m) of the Companies Act, 2013 are given in Annexure III to this report.

A statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company

The details and the process of Risk Management as were existing and implemented in the Company are provided as part of Management Discussion and Analysis, which forms part of this report.

The Company has constituted a Risk Management Committee aligned with the requirements of the Companies Act, 2013 and the Listing Regulations. The details of the aforesaid Committee and its terms of reference are set out in the Corporate Governance Report forming part of this Report

The Company has a risk management mechanism in place to manage uncertainties through identification, analysis, assessment, implementing and monitoring measures to reduce the impact of risks to the business which is discussed in detail in the Management Discussion and Analysis section of this Annual

Report.

Annual evaluation of Board, its Committees and individual Directors

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board carried out an annual performance evaluation of its own performance, the Directors individually, the Chairman of the Board and its Committees as per the evaluation framework adopted by the Board on the recommendation of the Nomination and Remuneration Committee. The performance evaluation has been done by the entire Board of Directors, excluding the Director being evaluated. Various evaluation techniques are used to assess the performance of the Directors. The Directors have participated in this evaluation process. The Independent Directors in their separate meeting have also evaluated the performance of the Chairman of the Company, Non-Independent Directors and the Board as a whole. Separate questionnaires were used to evaluate the performance of individual Directors on parameters such as their participation and contribution, objective judgment etc. The Chairman was also evaluated based on the key aspects of his role.

Change in the Nature of Business

There is no change in the nature of business carried on by your company during the financial year ended March 31, 2022. During the year under review, the Company had sold its Formulations unit (IKKT) on a slump sale basis to M/s. OrBion Pharmaceuticals Private Limited. The IKKT unit was generating negative EBITDA, hence the sale of above unit would improve the EBITDA of your Company.

Details regarding deposits covered under Chapter V of the Act

During the Financial Year 2021-22, your company did not accept any deposits within the meaning of the provisions of Chapter V – Acceptance of Deposits by Companies read with the Companies (Acceptance of Deposits), Rules 2014 and as such no amount of principal or interest was outstanding as of the balance sheet date.

Significant and Material Orders Passed by the Regulators or Courts or Tribunals impacting the Going Concern status of the Company

There have been no significant nor material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations.

Disclosure under the sexual harassment of women at work place (Prevention, Prohibition and Redressal) Act, 2013

The details pertaining to captioned header are disclosed in the Corporate Governance report which is annexed to the Board's report.

Prevention of insider trading

The Company has adopted a Code of Prevention of Insider Trading with a view to regulate trading in securities by the Directors and the Designated Persons of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the Designated Persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

Environment

Environment management is the prime concern in Orchid Pharma Limited. Orchid has employed a state-of-the-art technology, zero liquid trade effluent treatment plant and world class treatment facilities for its liquid and gaseous pollutants generated from the production processes. The zero discharge of liquid trade effluent treatment plant comprising Membrane Bio Reactor, Reverse Osmosis, Solvent Stripping Column, Thermal Evaporation & Crystallization plant to treat the entire trade effluent and recycle back into the utility process.

Waste Water Treatment

Low TDS effluent is collected, equalized and neutralized into neutral pH and treated aerobically by Membrane Bio Reactor process comprising of aeropac equipped with jet aeration system made up of Glass Fibre Reinforced Plastic & Ultrafiltration System loaded with ceramic membrane (aluminum zirconium). The permeate from ultrafiltration passes through reverse osmosis to separate inorganic salts. The permeate of reverse osmosis is utilized in the cooling towers as make up water. The reject from the reverse osmosis plant is mixed with high total dissolved solids effluent for further treatment. The excess bio mass from the aerobic system is centrifuged and sent to bio composting process to convert into useful manure. High TDS effluent is collected and neutralized into neutral pH. This effluent is sent to Mechanical Evaporators (Single stage, Three stage and Five stage) to concentrate the salts to the level of 35%. Heat energy is recovered during the process of evaporating the effluent and the recovered heat energy is utilized to reduce the energy consumption. The concentrate from the evaporators are sent to Agitated Thin Film Dryers (ATFD) where it gets dried and the dried salt is collected at the bottom of ATFD. The collected salt is bagged, stored in protected storage sheds and disposed at Government approved Treatment Storage & Disposal Facility (TSDF).

Waste Air Treatment

The major emissions from the unit is from the boiler, power plant, production process and powder processing area.

Process Scrubbers: Orchid installed process scrubbers in all production blocks to treat the waste air generated from process reactors.

Vent Gas Condensation: Orchid installed vent gas condensation system for fugitive emissions from the storage tanks of solvents and secondary condensers of solvent recovery area to control the fugitive emissions.

Reverse Jet Ventury Filter: Orchid installed reverse jet ventury filter to control the dust emission during the powder processing of bulk drugs.

Adequate Stack Height: Adequate stack heights are provided for Steam Boiler and Power Plant for better dispersion.

Electro Static Precipitator (ESP): ESP is provided at the boiler emission to control the particulate matter.

Ambient Air Quality and Stack Emission Monitoring: Ambient air quality and stack emission monitoring is being carried out round the clock to check the emission level in the atmosphere.

Hazardous waste Management

Hazardous wastes are collected and stored in protected storage shed and disposed into the approved landfill sites / authorized recyclers.

Bio composting

Bio sludge generated from the biological process of effluent treatment are converted into useful compost.

World Environment Day Celebration

World Environment Day was celebrated on 4th June 2021 by planting trees with in our factory premises to create awareness on environment among employees.

Safety

Orchid is highly committed to Safety, Health and Environment aspects. In spite of challenging circumstances brought about by COVID-19, there has been no compromise on critical needs of safety. This has been possible because of committed Line Management, dedicated Safety Professionals and relentless Leadership direction. Central Safety Committee (CSC), the apex committee of the organization have ensured that risks have been contained to keep us free from any major incident. Orchid strongly believes that human behaviour plays key role in safety management. Reinforcing the Safety observation & Audit (SOA) – a Lead indicator, becomes a key focus area always in our Central Safety Committee meetings. CSC continues to meet every month, review critical concerns on Safety and provides directions to minimize the risks at all levels.

In light of the evolving Coronavirus situation, organization is taking critical measures to contain the spread of COVID-19. Essential preventive measures have been taken to ensure that we keep ourselves, our families and our communities safe. Orchid established a comprehensive crisis management plan to handle the pandemic. This plan addresses the adequate preparedness and response measures for the following risks that arises out of the pandemic situation.

- Spread of infection across employees operating within plants
- Contract employee health issues
- Contamination from employees returning from hot spots
- Inadequate availability of work force due to absenteeism spikes
- Inadequate focus on Safe work practices, maintenance under restricted work force
- Shutdown and start-up of process
- Contamination of work place / warehouse
- Contamination risk from Visitors / Contractors
- Inadequate social distancing
- Risk of movement of Contaminated vehicles
- Gap in Sanitation and hygiene requirements

At Orchid, we have initiated protocols for hygiene and sanitation, social distancing, Virtual meetings, medical assistance and vaccination initiatives in alignment with National /Global guidelines on disease prevention and control to prevent contamination and to cope with adverse situations. These measures have been rolled out across all Orchid business processes, Manufacturing Sites, offices, and Technology Development facilities.

Process Safety is of paramount importance for any Chemical and Pharmaceutical organization, therefore, we have built a strong Process safety culture at Orchid over the years. The company also realized the need of effective safety communication in culture building activity / exercise. This is backed up by periodical safety talks, Safety Posters and Interactive discussions. Several safety-related initiatives, awareness campaigns were conducted to promote a "zero incidents" mindset among employees. These efforts resulted in behavioural change, making a zero-reportable-incidents year. By applying Risk Assessment technologies at work on chemicals and process, we ensured that highest workplace safety standards were implemented across the manufacturing value chain.

Particulars of Employees and Remuneration

The Information as required pursuant to Section 197 (12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in Annexure V to this report. The information as per Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report. However, as per First proviso to Section 136(1) of the Companies Act, 2013 and Second proviso to Rule 5(2) of the Rules, the Report and Financial Statements are being sent to the Members of the Company excluding the Statement of Particulars of Employees under Rule 5(2) of the Rules. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the address of the Corporate Office of the Company.

Remuneration received by Managing/Whole time Director from holding or subsidiary company

No remuneration was received by Shri Manish Dhanuka, Managing Director and Shri Mridul Dhanuka, Whole time Director of your Company from the holding and the Subsidiary companies of your company for the financial year ended March 31, 2022.

Particulars of Loans, Guarantees or investments under Section 186 of the Companies Act, 2013

Particulars of Loans, Guarantees or investments as required under Section 186 of the Companies Act, 2013 are provided in the Note no. 6 & 14 to the Standalone financial statements for the financial year 2021-2022.

Suspension of Trading

The Securities of the Company were not suspended from trading during the year under review. With effect from November 15, 2021, 14,803 outstanding Global Depository Receipts (GDR's) were delisted from the Luxembourg Stock Exchange and London Stock Exchange.

Transfer of Shares to the Investor Education and Protection Fund (IEPF)

The details pertaining to the transfer of shares to the Investor Education and Protection Fund during the reporting period are disclosed in the Corporate Governance report annexed to this report.

The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year

Not Applicable to the company.

The details of difference between amount of the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof

Not Applicable to the company.

Statutory Auditors

The Statutory Auditors, M/s CNGSN & Associates LLP, Chartered Accountants were appointed at the 24th Annual General Meeting of the Company held on September 13, 2017 for a period of five (5) years from the conclusion of 24th Annual General Meeting till the conclusion of 29th Annual General Meeting. The term of the current Statutory Auditors M/s. CNGSN & Associates LLP, Chartered Accountants, will expire at the conclusion of the 29th Annual General Meeting of the Company and consequently a new audit firm have to be appointed. The Board of Directors at their meeting held on June 14, 2022, based on the recommendation of the Audit Committee have recommended the appointment of M/s.Singhi & Co., Chartered Accountants (Firm Registration No. 302049E) as the Statutory Auditors, subject to the approval of the members of the Company. The resolution seeking appointment of M/s.Singhi & Co., Chartered Accountants, (Firm Registration No. 302049E) as the Statutory Auditors of the Company for a period of five years from the conclusion of the 29th AGM of the Company is being sought for at the ensuing AGM.

The Board places on record its appreciation for the services of M/s. CNGSN & Associates LLP, Chartered Accountants, during their tenure as the Statutory Auditors of your company.

Auditors' Report

The Auditors have audited the standalone and consolidated financial statements of the Company for the financial year ended March 31, 2022 and no fraud have been reported by the Auditors under Section 143 (12) of the Companies Act, 2013 requiring disclosure in the Board's Report.

Explanation to the Audit qualifications

The explanation to the Audit qualifications for the financial year ended March 31, 2022 are given in Annexure IX to this report.

Secretarial Auditor

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, M/s S Dhanapal & Associates (a firm of Practising Company Secretaries) were appointed to conduct the Secretarial audit of your Company for the Financial Year 2021-2022. The Secretarial Audit Report is forming part of this Annual Report (Annexure VI).

Upon recommendation of the Audit Committee, the Board has re-appointed M/s S Dhanapal & Associates (a firm of Practising Company Secretaries), as Secretarial Auditors of the Company for the Financial Year 2022-23.

In terms of Regulation 24A of the Listing Regulations, there is no material unlisted subsidiary incorporated in India. Material unlisted subsidiary for the purpose of this Regulation is a subsidiary whose income/net worth exceeds 10 per cent of the consolidated income/net worth respectively of the Company and its Subsidiaries in the immediately preceding accounting year. Hence, there is no requirement for a Secretarial audit to be conducted for any of the Company's Subsidiaries in India.

Secretarial Audit report

In respect of delay in filing returns with relevant authorities on certain occasions, the Company is taking necessary steps for filing the returns on time in the ensuing years. With reference to the mentioning of the web link of the Business Responsibility Report in the Annual report, the web-link was inadvertently missed to be printed in the Annual report

Compliance with the provisions of Secretarial Standards

The Company has deployed proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by the Institute of Company Secretaries of India.

Cost Audit

The Central Government has prescribed that an audit of the cost accounts maintained by the Company in respect of Bulk Drugs and Formulations be conducted under Section 148 of the Companies Act, 2013. Consequently, your Company had appointed Shri J Karthikeyan as Cost Auditor for the FY 2021- 22, for the audit of the cost accounts maintained by the Company in respect of both Bulk Drugs and Formulations. The cost audit report for the Financial Year 2021-2022 is under progress and will be filed with the Central Government within the stipulated timeline and the relevant Cost Audit reports for FY 2020-2021 were filed with the Central Government on January 05, 2022. Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, the Company maintains the Cost Audit records in respect of its pharmaceutical business. The Board, at its meeting held on May 12, 2022, on the recommendation of the Audit Committee, has appointed Shri J Karthikeyan, Cost Accountant, Chennai (Membership No.29934 & Firm Reg. No.102695) to conduct the audit of the cost accounting records of the Company for financial year 2022-2023 at a remuneration of Rs.2,00,000/- (Rupees Two Lakhs Only) plus applicable taxes and reimbursement of out- of-pocket expenses. The remuneration is subject to the ratification of the Members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and is accordingly placed for your ratification.

Other disclosures

No disclosure or reporting is made with respect to the following items, as there were no transactions during the year under review:

- The issue of equity shares with differential rights as to dividend, voting or otherwise
- The issue of shares to the employees of the Company under any scheme (sweat equity or stock options)
- There is no change in the Share Capital structure during the year under review.
- The Company does not have any scheme or provision of money for the purchase of its own shares by employees or by trustees for the benefits of employees
- There was no revision in the financial statements

Acknowledgements

The Board is grateful and thankful to all the Banks, Financial Institutions both in public sector and in private sector who have fully supported your Company's initiatives. The Board is grateful to the Central and State Government and the Central Drugs Standard Control Organization and State Food Safety and Drugs Administration (State FDAs) for their support to the Company's business plans. The Board places on record their appreciation of the support provided by the Employees, customers, suppliers, service providers, medical fraternity and business partners.

For and on behalf of the Board of Directors of
Orchid Pharma Limited

Place: Gurugram	**Manish Dhanuka**	**Arun Kumar Dhanuka**
Date : June 14, 2022	Managing Director	Non-Executive Director
	DIN: 00238798	DIN: 00627425

Management Discussion and Analysis

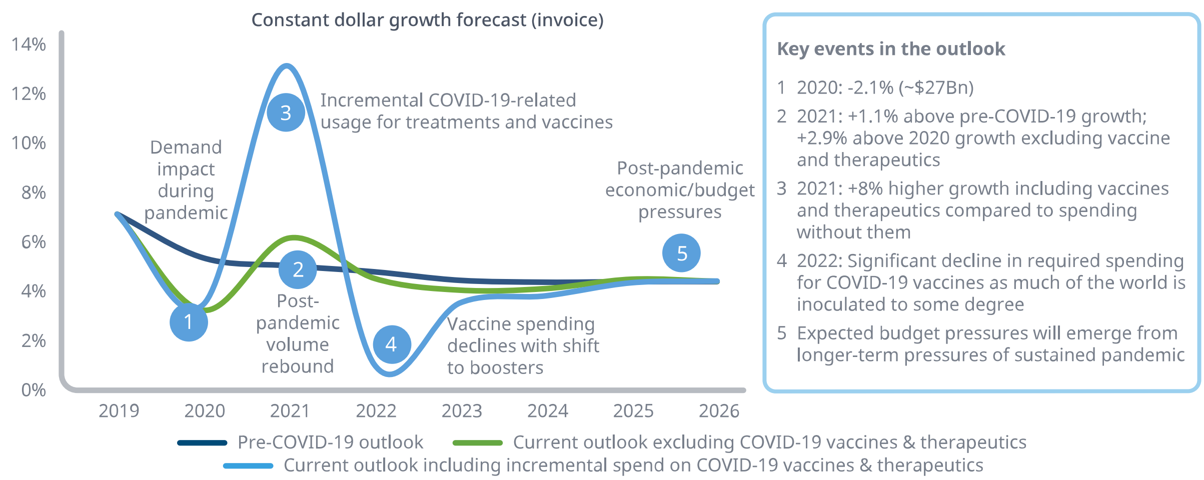
Industry Structure and Developments

The global pharmaceuticals market is expected to grow from $1454.66 billion in 2021 to $1587.05 billion in 2022 at a Compound Annual Growth Rate (CAGR) of 9.1%. The growth is mainly due to the companies rearranging their operations and recovering from the COVID-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working, and the closure of commercial activities that resulted in operational challenges. The market is expected to reach $2135.18 billion in 2026 at a CAGR of 7.7%.

Global spending on medicines based on invoice price levels is expected to grow at a compound average annual growth rate (CAGR) of between 3% and 6% through 2026 to reach about $1.8 trillion by 2026, including spending on COVID-19 vaccines and novel therapeutics. This level of spending largely reflects the initial wave of vaccinations, which are expected to be completed by 2022 in developed countries and in 2023 in lower-income geographies. In subsequent years, booster shots are expected to be required annually or more often as the limited durability of immunity and the continued emergence of viral variants drive recommendations for additional inoculations. Novel therapeutics for the virus will total $58 billion over the same period (2022 to 2026), representing a total of $309 billion of COVID-19 vaccine and therapeutic spending, according to the IQVIA Institute analysis.

Figure 1: Comparison of Current Global Medicines Spending Outlook to Pre-COVID Outlook

(Global Market Growth will return pre-pandemic Projections by 2025 despite year-to-year fluctuations)



Source: IQVIA Market Prognosis, September 2021; IQVIA Institute for Human Data Science, November 2021

Global spending on biotech drugs, defined as those created through recombinant DNA technology, are expected to reach $620 billion by 2026, representing more than one-third of global medicines spending, according to the IQVIA Institute analysis. Biotech drugs will see a 61% aggregate increase over the next five years (2022 to 2026) with a CAGR of between 9% and 12%, adding $237 billion globally. This growth will occur despite brand losses of $118 billion due to biosimilars in the forecast period (2022 to 2026). Spending growth is expected to slow significantly in the next five years from the impact of key biosimilars, especially in developed markets, but will remain robust through the continued flow of new medicines.

Economic Overview: Global Trends

The ongoing pandemic has accelerated pharma and biotech companies' transformation, and clinical trial decentralization, data-driven R&D, the digitalization of the supply chain, and outsourcing have taken centre stage. The industry will focus on supply chain resilience and the adoption of innovative technologies to improve efficiency while ensuring that healthcare remains precise, preventive, and outcome-based in the promotion of social and financial inclusion. In 2021, the emphasis was on COVID-19 in terms of drug research and therapy administration; this trend is expected to change by the end of 2022, and oncology and CNS are expected to become leading growth areas for the pharma industry. Value-based care will take centre stage and lead to a shift to platform- and data-based drug discovery and development models.

Having proved its prowess to the world during the challenging times of the pandemic by supplying 60 per cent of the global COVID-19 vaccine requirements, the Indian pharma and healthcare industry is looking to build on the experience of the last two years, strengthen the partnership with the government and sustain the momentum in 2022. It is crucial for the industry to further build momentum towards the gains secured over the course of the pandemic which will help it carve a niche in the global pharma value chain. To this end, the industry must collectively work towards supporting, recognising, and rewarding high-risk research and development. We believe encouraging private sector investment in R&D and rewarding innovations through a strong intellectual property ecosystem along with the on-ground execution of the government's vision of Discover in India will spur the growth of the innovation ecosystem in the country.

Economic Overview-India

Indian pharmaceuticals value added output is forecast to grow more than 6% annually in 2022 and in 2023, due to the ongoing rollout of Covid-19 vaccinations, a rebound in non-Covid related medical treatments and a surge in generic drug exports. However, in H1 of 2022 drug producers still face pressure on gross margins, due to high commodity and transport costs. Domestic wholesalers and pharmacies continue to generate low, but stable margins.

While generic drugs still account for about 70% of output, the pandemic has spurred Indian drug producers to substantially increase their R&D spending. Due to a serious supply disruption, Indian drug producers intend to increase local production of Active Pharmaceutical Ingredients (APIs) in order to reduce their reliance on Chinese deliveries. Those imports have meanwhile rebounded, but are not yet back to pre-pandemic levels. The government has announced a large incentive scheme with tax exemptions to boost local API production, which will last until 2030. The industry is highly export-oriented, being one of the leading suppliers of generic drugs to the US. Exports could be impacted by resumption of US Food and Drug Administration (USFDA) inspections of Indian production plants. Failures to meet required quality standards could lead to lower sales to the US, and could have a negative effect on margins.

We expect the domestic drug market to grow steadily in the coming years, due to demographic trends and rising household income. The balance sheets of most Indian pharmaceutical businesses and their capacity to generate cash are strong. Currently, many life sciences companies are showing a 'need for speed' as their focus is on driving research and development (R&D) productivity. New processes adopted to expedite vaccines and therapeutic products to tackle COVID-19 are now being applied to other drugs. In 2022, pressures are expected to be on optimizing processes to fundamentally change the drug development paradigm.

Opportunities and Threats

Outsourced Manufacturing

Even before COVID-19, the outsourcing of biopharmaceutical development and manufacturing was growing; particularly as increasing numbers of small and virtual biotechnology companies were adopting business models fully reliant on outsourcing all development and manufacturing activities. As a result of the pandemic, CMO's have seen an increasing demand to deliver drugs to market at an unprecedented speed. The requirement for regular booster vaccinations means that this need for manufacturing support will likely continue for the foreseeable future.

Supply Chain Disruptions

It has become increasingly important for companies to predict supply with high accuracy, raise inventory levels and qualify alternative suppliers to minimise shortages. Another supply challenge for pharma is the increasing pressure for sustainable sourcing. Companies are setting out a path via their procurement policies and practices to ensure a deep understanding of the supply risk emanating from environmental issues like climate change and antimicrobial resistance (AMR), social issues like human rights and ethics, and their potential economic impacts. Sustainable sourcing aims to improve the ethical, environmental and social performance of suppliers, thereby mitigating any negative impacts within the supply chain. This could have a significant impact on bio/pharmaceutical manufacturing.

Skilled Workforce

A key factor that will continue to impact biopharma manufacturing in the next year and beyond is the limited availability of skilled labour. Although some of the problems surrounding labour shortages could be solved using automation, the fundamental issue will remain. Preparing workers for the STEM (science, technology, engineering and mathematics) industries will require further funding in the education sector and any company ready to solve this challenge will be poised to dominate the industry.

Digitisation

The challenges facing pharmaceutical and biopharmaceutical manufacturing in 2022 are varied, from formulation and delivery challenges to skilled labour shortages and shortened timelines. One potential solution for these hurdles is the integration of advanced technologies. Pharma is accelerating its digital Industry 4.0 transformation in pursuit of better cGMP [current good manufacturing practice] compliance. The pressure to adopt advanced information and data technologies across the enterprise will not abate and the digitalisation trend will have significant impact on operational expenses and cost-of-goods accounting for years to come. Advanced, automated, data-controlled processes will certainly be part of the industry's digitally enhanced future.

Segment Wise / Product Wise Performance

Orchid Pharma Limited currently operates mainly in API business. This segment has 2 categories namely Oral and Sterile. The category wise sales data is given below:

Financial Year	Oral		Sterile	
	Quantity (Per MT)	Value (Rs in Lakh)	Quantity (Per MT)	Value (Rs in Lakh)
2020-21	160.91	27039.91	116.84	16556.88
2021-22	239.32	37299.72	135.13	18821.00

Outlook

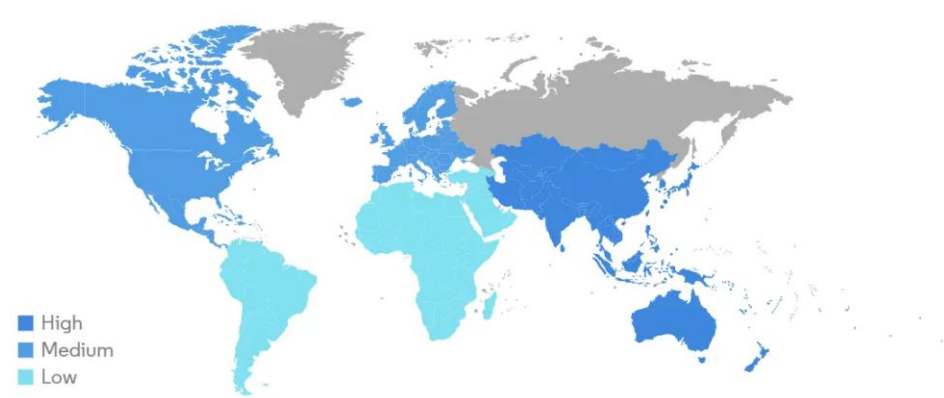
API manufacturing

The Indian pharmaceutical industry is the 3rd largest in terms of volume and 13th largest in terms of value, globally is being bolstered by some of the major factors such as the increasing incidence of chronic disease, & proliferating importance of generics, advancements in API manufacturing and rapid growth of the biopharmaceutical sector. Furthermore, with the highest number of US FDA- approved plants, an estimated 665, occupying forty-four percent of global abbreviated new drug applications, the API industry's growth in the country has been fueled by adopting global standards establishing large-scale/extensive manufacturing plants in India. There is a growing investment in R&D for API production processes, as well in quality, environment and safety, resulting in better, safer and cleaner technologies and substantial increase of pharmaceutical technology know-how and intellectual property Companies should increase their size to face global competition. Mergers and acquisitions are taking place in order to pursue globalisation projects. API manufacturers ask for global harmonised regulations with an increasingly strong relationship between the EU and the USA.

Antibiotic Industry

The antibiotics market was valued at USD 47,150.78 million in 2021 and it is expected to reach USD 63,017.22 million by 2027, registering a CAGR of 5.10% during the forecast period. The rising prevalence of bacterial infections and the need for effective and newer antibiotics are driving the demand for advanced antibiotics. The emergence of anti-MRSA/VRE drugs, increasing awareness about infectious diseases and the government's initiatives in improving the availability of antibiotics around the world for various diseases are further expected to augment the growth of the antibiotics market. Both Ceftazidime and Cefepime showed very good inhibitory activity toward COVID-19 and concluded that repurposing of Ceftazidime and Cefepime is highly effective for the symptomatic improvement of moderate and severe COVID-19 patients. Therefore, due to these factors mentioned above, the Cephalosporin segment is expected to grow and occupy a major share in the antibiotics market over the forecast period of the study. Orchid being a leader in this segment would stand to benefit while making efforts to capitalise on this growth.

Global Antibiotics Market - Growth Rate By Region



Source: Mordor Intelligence

Risks and Concerns

The lingering impacts of COVID-19 will continue to have a serious impact on the industry through the end of the year, in part because reduced consumer confidence means lower than usual demand for pharmaceuticals. In addition, customer purchasing power may remain low as unemployment continues to be a challenge around the world.

Pharmaceutical fraud remains a major challenge for the industry and it was possibly even worse during COVID-19. Industry observers have predicted that misconduct during the pandemic will lead to higher-than-average health care fraud recoveries this year.

Pharmaceutical companies are especially vulnerable to cybersecurity threats. As cyberattacks become a more serious threat to the industry, investment in cybersecurity will need to increase. Companies will also need to implement better cybersecurity policies in the office and for remote workers, or run the risk of a costly data breach. Investments in IT security may also be necessary for adopters of the technology.

Global pharmaceutical supply chains, under the pressure of COVID-19 pandemic revealed serious weaknesses in pharmaceutical logistics. The lean supply chains the industry cultivated over the past decades are not resilient to sudden shocks or issues with production caused by events like a pandemic. As a result, long manufacturing lead times and unpredictable demand are likely to cause problems through the end of the year.

Internal Control Systems and their adequacy

The Company has external teams carrying out various types of audit to strengthen the internal audit and risk management functions. The Internal Financial Control over Financial Reporting System are existing and operative, however based on the observations of the auditors, the Company is further strengthening the Internal Financial Control systems over financial reporting.

Discussion on Financial Performance with respect to Operational Performance

Profitability

From Continuing Operations

- During the year ended on March 31, 2022, the EBITDA of the Company was at Rs.66.26 Crores as against EBITDA of Rs.64.36 Crores during the previous year ending on March 31, 2021
- The net loss of the Company before Extra-ordinary items & Tax for the year ended on March 31, 2022 stood at Rs.52.77 Crores as against Rs. 95.87 Crores during the previous year ending on March 31, 2021.

From Discontinuing Operations

- The net Profit of the Company from IKKT division for the year ended on March 31, 2022 stood at Rs.47.96 Crores as against net loss of Rs.21.28 Crores during the previous year ending on March 31, 2021.

EPS for Company

- EPS for the year ending on March 31, 2022 (before extra-ordinary items) stood at a negative Rs. 1.18 as compared to a negative Rs. 28.70 for the previous year ending on March 31, 2021.

Components of Revenue & Expenditure

From Continuing Operations

- The operating revenues for the year 2021-22 was Rs.556.97 Crores as against Rs. 450.70 Crores during the previous year ending on March 31, 2021.
- Material cost for the year ended March 2022 was Rs. 336.80 Crores (60.5% of the Operating revenues) as compared to Rs. 244.96 Crores (54.4% of the Operating revenues) during the previous year ending on March 31, 2021.
- The other operating cost, including employee cost for the year ended March31, 2022 was Rs. 185.64 Crores as against Rs.163.52 Crores during the previous year ending on March 31, 2021.
- The Finance cost for the year ended March 31, 2022 was Rs. 32.01 Crores as compared to Rs. 51.34 crores during the previous year ending on March 31, 2021.
- The Depreciation & Amortisation for the year ending March 2022 was Rs.87.02 Crores as compared to Rs. 108.90 Crores during the previous year ending on March 31, 2021.

Balance Sheet

- The Equity and Reserves as at March 31, 2022 stood at Rs.677.95 Crores as compared to Rs. 681.34 Crores as at March 31, 2021.
- The total borrowings as at March 31, 2022 stood at Rs.267.95 Crore as compared to Rs. 452.74 Crores as at March 31, 2021.

Material Developments in Human Resources / Industrial Relations Front including number of people employed.

Orchid's HR function is aligned with the Company's overall growth vision and continuously works on areas such as recruitment and selection policies, disciplinary procedures, reward/recognition policies, learning and development programmes as well as all-round employee development. Orchid provides a safe and rewarding environment that attracts and retains a talented team and where employees are engaged in delivering exceptional results to the customers and investors. Orchid Pharma has a diverse talent pool of approx 1,000 Orchidians. The Company acknowledges the indispensable role of Orchidians in driving continued success.

RATIOS FOR INCLUSION- FY 2021-22 and FY 2020-21 (Continuing Operations)

Rs. in Crore

Particulars	FY 2021-22	FY 2020-21
Debtors Turnover Ratio		
Sales for the year (manufacturing sales)	553.49	438.82
Debtors at the beginning of the year	199.18	135.95
Debtors at the end of the year	241.18	199.18
Average Debtors for the year	220.18	167.57
Debtors Turnover Ratio	2.5	2.6
Inventory Turnover Ratio		
Cost of goods sold	314.07	229.27
Opening Inventory	147.12	135.33
Closing Inventory	169.12	147.12
Average Inventory	158.12	141.22
Inventory Turnover Ratio	2.0	1.6
Interest Coverage Ratio		
EBITDA	66.26	64.36
Interest Expenses	32.01	51.34
Interest Coverage Ratio	2.1	1.3
Current Ratio		
Current Assets at the end of the year	435.31	542.25
Current Liabilities at the end of the year	193.83	100.87
Current Ratio	2.2	5.4
Debt Equity Ratio		
Total Debts at the end of the year	267.95	452.74
Shareholders' equity at the end of the year	677.95	681.34
Debt Equity Ratio	0.40	0.66

Details of Significant Changes in key financial ratios along with detailed explanations:

Debt equity ratio : Reduction in long term debt by Rs.185 Crores through sale of non-core asset of the Company.

Current ratio: Increase in current liability due to trade payables and working capital borrowings with decrease in GST refund available

Inventory turnover ratio: Increase in cost of goods sold and average inventory.

Details of change in Return on Net Worth as compared to immediately previous financial year along with a detailed explanation thereof

The company has not made any profit in the last 2 years. Hence return on net worth is not calculated.

Annexure to the Board's Report

Annexure I Conservation of Energy

(Pursuant to Section 134(3)(m) of the Companies Act, 2013 and Rule 8(3) of the Companies (Accounts) Rules, 2014

(a) Energy conservation measures taken

The following energy conservation measures were taken by your Company during the year under review at its manufacturing facility at Alathur

❖ Optimizing power consumption in Multi Purpose Solvent Recovery Plant (MPSR) +40 cooling circuit by providing temperature based cut off for radiator fans, improving performance of PHE, providing controls for switching off chill water pumps based on plant requirement. This resulted in energy saving of 1667 units/day.

❖ Study and stream lining of effluent streams under progress to reduce higher energy consumption in Ecology plant. On part of this TEE plant stoppage resulted in energy savings of 1900 units/ day. Apart from power savings, 7.7 Metric Ton (MT)/Day of steam consumption reduction achieved by stopping TEE plant.

❖ Cooling Tower (CT)-13 pump and fan operational control established based on TEE plant stoppage resulted in energy savings of 562 units/ day.

❖ Trial under progress for using renewable energy fuel Rice husk in Boiler to reduce coal consumption – Around 130MT of Rice husk used to reduce equivalent coal consumption of 87.5MT.

❖ Improving insulation effectiveness has resulted in energy savings of 603 units per day in refrigeration system.

❖ Eliminating loss of energy due to Compressed air & Nitrogen leaks done by conducting air audit across plant and arresting of leaks resulted in energy savings of 1374 units/day.

Due to the various energy conservation activities implemented, mentioned in (a) above, there was a reduction in power consumption by around 6106 Units per day leading to a saving of around Rs.72 Lakhs annually with an investment of Rs.29.50 Lakhs.

(b) Proposed energy conservation measures

Some of the proposals that are considered / being implemented for saving energy are:

❖ Installation of new energy efficient Chiller for PH-27 plant.

❖ Proposing to replace high power consuming air-cooled chiller with water cooled chiller.

❖ Permeate water temperature reduction to reduce CT19 power consumption.

❖ Heat recovery system in Ecology plant.

❖ Installation of brine concentrator in Effluent Treatment Plant (ETP) to reduce Ecology heat energy consumption.

❖ Installation of hydrodynamic aerators in ETP to reduce aerator pump power consumption.

Further, the energy conservation measures proposed to be taken up by the company as mentioned in (b) above are expected to bring in savings of around Rs.1.22 Crore annually with the investment of Rs.2.09 Crores.

(c) The steps taken by the Company for utilizing alternate sources of energy

Captive Power purchase agreement through Solar plant for 14 MWDC has been executed and the low cost energy adjustment is expected to start from May 2022. Open access Power Purchase through IEX has been continued to manage the costs in the most optimized way.

(d) Capital Investment on Energy Conservation Equipment

Towards Solar Plant for Captive Power purchase, an investment of Rs.3.15 Crores have been made during 2021-22 and Rs.1.05 Crores was invested further during April 2022.

For and on behalf of the Board of Directors of
Orchid Pharma Limited

Place: Gurugram
Date : June 14 , 2022

Manish Dhanuka	**Arun Kumar Dhanuka**
Managing Director	Non Executive Director
DIN: 00238798	DIN: 00627425

ANNEXURE II – TECHNOLOGY ABSORPTION

I. Chemistry & Technology Development

Chemistry & Technology Development (CTD) Centre has been involved in developing manufacturing process for 5th generation antibiotics, Off-patent Drugs and its intermediates.

Our CTD is also doing improvement of manufacturing processes for Cephalosporin, technology transfer support to API manufacturing facility; scale up of process on manufacturing scale for new Cephalosporin (both oral & injectable).

We have focused our research to identify novel beta-lactamase inhibitors and succeeded with novel 2-substituted methyl penem derivative named as Enmetazobactam- OCID 5090. It is a beta-lactamase inhibitor used in combination with beta-lactam antibiotics.

Orchid's CTD has extended its support to new customers and new markets on intellectual property review, FTO analysis, invalidation/non-infringement of IP approach, apart from generation of scientific and evidence-based justifications to meet the requirement of regulatory agencies and ensure smooth IP pathway.

Orchid's CTD has also supported internal and external customers by generating and providing standards of related substances and working standards for substantiating the dossiers filed and manufacturing of APIs. Evaluation of New monograph and verification studies were carried out to permit API and formulation business in various markets.

In order to meet the emerging requirement from regulatory agencies from across the world, CTD has taken up comprehensive analysis of the manufacturing processes of Cephalosporin and Non-Penicillin Non-Cephalosporin (NPNC) products with respect to the possibility of traces of Nitrosamines and assessment of potential Genotoxic impurities through in-Silico analysis coupled with scientific data.

II. Expenditure on CTD

The CTD outlay was as follows:

Rs. in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) Capital	-	-
b) Recurring	662.63	480.80
c) Total	662.63	480.80
d) Total R & D expenditure as a percentage of the total turnover	1.18%	1.07%

III. Technology absorption, adaption and innovation

1. Efforts in brief made towards technology absorption, adaption and innovation

Orchid's CTD has made efforts towards developing novel 5th generation Cephalosporin antibiotic in lab scale synthesis and successfully completed its feasibility study.

In addition, involved improving the manufacturing processes for another 5th generation antibiotic to fulfil the global requirement.

Orchid's New Drug Discovery team had developed new Active Pharmaceutical Ingredient called as Enmetazobactam. This molecule Enmetazobactam is a novel penicillanic acid sulfone ESBLs, an extended spectrum beta-lactamases inhibitor that will be used in combination with the 4th generation cephalosporin antibiotic Cefepime Hydrochloride to provide a "novel therapeutic option addressing serious threat of Antibiotic Microbial Resistance", which has undergone the clinical trials and the molecule has cleared the stage "Phase 3".

Orchid's CTD has extended supporting with technical challenges as well as analytical requirements for the transferred APIs and existing Cephalosporin products to file the dossiers and gain approval of dossiers. In order to respond to queries from regulatory agencies, internal customers in other locations and external customers from various countries, with respect to Orchid's APIs in both Cephalosporin and NPNC categories, extensive scientific rationale and analytical data were provided to gain regulatory approval and progress towards commercializing the products. Such activities include extensive impurity profiling, analytical method development, method validation, assessment of APIs in regulatory perspective, inorganic elemental impurities (as per ICH Q3D employing ICPMS), polymorphism, carry over studies, trace impurity and ion analysis, etc., through appropriate techniques.

2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.

Orchid's CTD has successfully completed feasibility study for the synthesis of a novel 5th generation Cephalosporin in lab scale. This is one more new product in Orchid's product portfolio.

Orchid's CTD has improved the process technology for the manufacturing of another new 5th generation Cephalosporin in commercial scale. This is one more new product in Orchid's product portfolio.

The new combination drug of Cefepime / Enmetazobactam has been granted "Qualified Infectious Disease Product (QIDP) and Fast Track designation" by the US FDA, which will provide five years' additional market exclusivity and priority FDA review. This is also one more new product in Orchid's product portfolio.

Implemented the newly developed technology for recovery of reagent lead to reduction in the cost of manufacturing of the class comprising quaternary Cephalosporin.

Many impurity standards and working standards synthesized apart from characterization of impurities for both Cephalosporin and NPNC categories, to support both filing of dossiers and continuance of commercial manufacturing.

Recently, Orchid's CTD- Analytical Development section has received permission from MEPZ, SEZ officials for Analytical/R & D Services and supply of impurities for external customers.

Orchid's CTD has supported to generate scientific evaluation of potential formation of trace quantities of nitrosamines in the API and comprehensive genotoxic alert study (in silico) report on potential impurities, with a view to comply with the requirement of regulatory agencies across the world. In addition, received regulatory approvals for many existing Cephalosporin from customers and regulatory agencies, which has helped the business.

3. Imported technology (imported during the last 3 years reckoned from the beginning of the financial year)

a) Technology	No New technology has been imported during last year.
b) Year of import	Not applicable
c) Has this technology been fully absorbed	Not applicable
d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action.	Not applicable

4. Specific areas of benefits from CTD & future Plan

Orchid's CTD team has developed two new Cephalosporin products. Both are 5th generation antibiotics. Planning for the commercialization in the next financial year.

Orchid's CTD team has planned to commercialize Enmetazobactam – combination drug for the market exclusively for Domestic market. Orchid is in discussion with the joint Innovator – Allecra Therapeutics to contract manufacture the product Enmetazobactam for their launch in the US and Europe.

Orchid's CTD has planned to develop Cephalosporin drugs in combination of Beta Lactamase inhibitors like Avibactam to enhance the business revenues. This will be a one more new product in Orchid's product portfolio.

Orchid's New CTD Lab infrastructure comprising of both Process Research Lab and Analytical development lab will be in operational in the first quarter of the Financial year 2022-2023 and will enable the Company to focus more on cost effective new products development and synthesis of intermediates to enhance Orchid's product portfolio and competitiveness.

Orchid's CTD- Analytical Development section has received permission from MEPZ, SEZ officials for Analytical/R & D Services and supply of impurities for external customers. This service activity will add value on the business revenue.

For and on behalf of the Board of Directors of
Orchid Pharma Limited

Place: Gurugram
Date : June 14 , 2022

Manish Dhanuka	**Arun Kumar Dhanuka**
Managing Director	Non Executive Director
DIN: 00238798	DIN: 00627425

Annexure III - FOREIGN EXCHANGE EARNINGS & OUTGO

a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services, and export plans

The company is focusing to increase the sale and distribution of its cephalosporin and the non-penicillin, non- cephalosporin in generics form in regulated markets including United States, Canada, Europe, Japan and Australia, as applicable.

b) Total foreign exchange earnings and outgo

Rs. in Lakhs

		Year ended March 31, 2022	Year ended March 31, 2021
1.	**Earnings in foreign exchange during the year**		
	F.O.B value of exports	48,302.71	39,664.05
	Export of services (net of TDS)	-	-
2.	**C.I.F. value of imports (on cash basis)**		
	Raw materials & Packing materials	19,507.06	16,697.68
	Capital goods	-	-
	Spare parts, components and consumables	-	73.36
3.	**Expenditure in foreign currency during the year (on cash basis)**		
	Travelling expenses	-	-
	Interest and bank charges	145.05	14.25
	Professional / Consultancy fees	81.74	186.71
	Others	756.40	321.03
4.	**Dividend remittances in foreign currency during the year**		
	Net dividend	-	-
5.	**Total foreign exchange used (2+3+4)**	**20,490.25**	**17,293.03**

For and on behalf of the Board of Directors of
Orchid Pharma Limited

Place: Gurugram
Date : June 14 , 2022

Manish Dhanuka
Managing Director
DIN: 00238798

Arun Kumar Dhanuka
Non Executive Director
DIN: 00627425

Annexure IV to the Board's Report

CORPORATE GOVERNANCE REPORT

A. Company's Philosophy on Code of Corporate Governance

At Orchid, we are committed to practicing good Corporate Governance norms. Orchid firmly believes in adhering to Corporate Governance code to ensure protection of its investor's interest as well as healthy growth of the Company. The philosophy of your Company in relation to Corporate Governance is to achieve and maintain the highest standard of Corporate Governance by providing adequate and timely information to all the shareholders and recognizing the rights of its shareholders and encouraging co-operation between the Company and the stakeholders. In Compliance with Regulation 34(3) read with Schedule V of the Listing Regulations as amended from time to time, the Company submits the Corporate Governance Report for the year ended March 31, 2022.

B. Board of Directors

1. Composition and Category of Board

The Board of Directors is entrusted with the ultimate superintendence, control and responsibility of the affairs of the Company. The Board is responsible for providing strategic supervision, overseeing the management performance and governance of the Company on behalf of the shareholders and other stakeholders. The Board exercises independent judgment and plays a vital role in the oversight of the Company's affairs. Our Board represents an appropriate mix of Executive Directors, Non-Executive, Non-Independent Directors and Independent Directors which is in compliance with the Companies Act, 2013 the Listing Regulations and is also aligned with the best practices of Corporate Governance. The Board comprised of Eight (8) directors as on March 31, 2022.The Composition and Category of Board of Directors as on March 31, 2022 was as follows:

Category	Non-Executive, Independent Directors including Independent Woman Director	Other Non-Executive and Non-Independent Directors	Executive Director (Managing Director & Whole time Director)	Total strength
No. of Directors	4	2	2	8

Name(s) of the Director(s)	Category of Director(s)
Shri Ram Gopal Agarwal (DIN:00627386)	Non-Executive - Non-Independent Director, Chairperson
Shri Manish Dhanuka (DIN:00238798)	Executive-Managing Director
Shri Mridul Dhanuka (DIN: 00199441)	Executive-Whole Time Director
Shri Arun Kumar Dhanuka (DIN: 00627425)	Non-Executive – Non Independent Director
Smt Tanu Singla (DIN: 08774132)	Non- Executive- Independent Director
Dr Dharam Vir (DIN: 08771224)	Non- Executive- Independent Director
Shri Mudit Tandon (DIN: 06417169)	Non- Executive- Independent Director
Shri Manoj Kumar Goyal (DIN: 0631663)	Non- Executive- Independent Director

Other Directorships and Committee Memberships/Chairmanships as on March 31, 2022

In compliance with the Companies Act, 2013 and the Listing Regulations, none of the Directors on the Company's Board is a Director in more than 10 (Ten) Public Limited Companies (including "Orchid Pharma Limited") or is a Member of more than 10 (Ten) Board Committees (Committees being the Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than 5 (Five) Board Committees as on March 31, 2022.

The details of directorships in other Companies and Committee positions during the Financial Year ended March 31, 2022 are as follows:

Other Directorship and Committee Memberships/Chairmanships					
S. No	Name(s) of the Directors(s)	Designation	Number of Directorship held in other ~ Public (listed and unlisted) companies as on March 31,2022	Number of Board Committee positions held in other Companies as on March 31,2022	
				Member*	Chairman*
1	Shri Ram Gopal Agarwal	Chairman and Non-Executive Director	2	-	-
2	Shri Manish Dhanuka	Managing Director	2	-	-
3	Shri Mridul Dhanuka	Whole time Director	4	-	-
4	Shri Arun Kumar Dhanuka	Non-executive Director	3	1	-
5	Smt Tanu Singla	Independent Director	-	-	-
6	Dr Dharam Vir	Independent Director	-	-	-
7	Shri Mudit Tandon	Independent Director	1	-	-
8	Shri Manoj Kumar Goyal	Independent Director	-	-	-

~ Directorships do not include Directorships in Private Limited Companies, LLP, Companies incorporated under Section 8 of the Companies Act, 2013 and Foreign Companies.

* As required by Regulation 26 of the Listing Regulations, the disclosure includes Membership/Chairmanship of the Audit committee and Stakeholder relationship Committee across all other Public Limited companies (excluding Orchid Pharma Limited)

Names of the listed entities (other than Orchid Pharma Limited) where the Directors of the Company hold Directorship and the category of directorship as on March 31,2022

Name(s) of the Director(s)	Listed entities in which they hold Directorship	Category of Directorship
Shri Ram Gopal Agarwal	Dhanuka Agritech Limited	Executive-Whole Time Director and Chairman
Shri Mridul Dhanuka	Dhanuka Agritech Limited	Non-Executive-Non-Independent Director
Shri Arun Kumar Dhanuka	Dhanuka Agritech Limited	Executive- Whole Time Director

None of the Directors other than as stated above are on the Board of any other listed entity.

2. Board Meetings & Attendance Record of the Directors

During the financial year 2021-22, Seven (7) Board Meetings were held on May 22,2021, July 15,2021, August 13,2021, November 01,2021, November 14,2021, December 16,2021 and February 12,2022 within the time limits stipulated under the Act and the Listing Regulations as amended from time to time.

Name(s) of the Director(s)	Number of Board meetings which the Director was entitled to attend	Number of Board Meetings attended	Attendance at the last AGM held on August 13,2021
Shri Ram Gopal Agarwal	7	2	No
Shri Manish Dhanuka	7	7	Yes
Shri Mridul Dhanuka	7	7	Yes
Shri Arun Kumar Dhanuka	7	6	Yes
Smt Tanu Singla	7	7	Yes
Dr Dharam Vir	7	7	Yes
Shri Mudit Tandon	7	5	Yes
Shri Manoj Kumar Goyal	7	7	Yes

Relationship between Directors inter se

Name(s) of the Director(s)	Relationship between Directors inter se #
Shri Ram Gopal Agarwal Chairman & Non-Executive Director	Shri Ram Gopal Agarwal is the Cousin brother of Shri Manish Dhanuka and Shri Arun Kumar Dhanuka. Shri Mridul Dhanuka is the nephew of Shri Ram Gopal Agarwal.
Shri Manish Dhanuka Managing Director	Shri Manish Dhanuka and Shri Arun Kumar Dhanuka are brothers. Shri Manish Dhanuka and Shri Ram Gopal Agarwal are Cousin brothers. Shri Mridul Dhanuka is the nephew of Shri Manish Dhanuka
Shri Mridul Dhanuka Whole Time Director	Shri Mridul Dhanuka is the nephew of Shri Manish Dhanuka, Shri Arun Kumar Dhanuka and Shri Ram Gopal Agarwal.
Shri Arun Kumar Dhanuka Non- Executive Director	Shri Arun Kumar Dhanuka and Shri Manish Dhanuka are brothers. Shri Arun Kumar Dhanuka and Shri Ram Gopal Agarwal are Cousin brothers. Shri Mridul Dhanuka is the nephew of Shri Arun Kumar Dhanuka

 # None of the Independent Directors have any inter-se relationship with other Directors of the Company.

3. Code of Conduct

The Board of Directors has laid down a Code of Conduct ("the Code") for Board members and Senior Management Personnel of your Company. Independent Directors shall also ensure compliance with Code for Independent Directors formulated in accordance with Schedule IV of the Act and the Listing Regulations.

The Code is posted on your Company's website http://www.orchidpharma.com/downloads/Code%20of%20Conduct%20for%20Board%20of%20Directors%20and%20Senior%20Management%20.pdf . An annual declaration is obtained from every person covered by the Code of Conduct. A declaration signed by the Managing Director is attached and forms part of this Report.

4. Number of Shares and convertible instruments held by Non-Executive Directors

As on March 31, 2022, no shares and convertible instruments are held by Non-Executive Directors of the Company. However, as on March 31, 2022, M/s Dhanuka Laboratories Limited holds 89.96% equity shares and 14,300 Zero Coupon, Optionally Convertible Non-marketable Debentures in Orchid Pharma Limited where Shri Arun Kumar Dhanuka, Non-Executive Director is a Director and Member and Shri Ram Gopal Agarwal is a Member. Shri Arun Kumar Dhanuka and Shri Ram Gopal Agarwal, Non-Executive Directors are also one of the Significant Beneficial Owners of M/s Dhanuka Laboratories Limited.

5. Meeting of Independent Directors and familiarization Programme for Independent Directors

A separate meeting of the Independent Directors was held on December 16,2021 inter-alia, to evaluate the performance of Non-Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. All the Independent Directors were present at the Meeting. The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole.

The Company has organized Familiarization Programmes for the Independent Directors of the Company to familiarize them with the Company vis-a-vis their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. The details regarding the programme is available on our website at www.orchidpharma.com/downloads/Familiarisation%20program%20for%20Independent%20Directors.pdf

6. Chart or matrix setting out the Skills/ Expertise/ Competence of the Board of Directors as on March 31, 2022

The Board has identified the following Core Skills/Expertise/Competencies required in the Directors for effectively managing the Company's business operations and those possessed by the Board Members.

Key skills/ expertise/ competence identified by the Board

No.	Broad categories of skills	Core Skill/ Expertise/ Competencies identified by the Board	Whether the skills Set/ Area of Expertise /Knowledge is possessed by the Directors of the Company							
			Shri Ram Gopal Agarwal Chairman & Non-Executive Director	**Shri Manish Dhanuka** Managing Director	**Shri Mridul Dhanuka** Whole Time Director	**Shri Arun Kumar Dhanuka** Non-Executive Director	**Dr Dharam Vir** Independent Director	**Shri Manoj Kumar Goyal** Independent Director	**Shri Mudit Tandon** Independent Director	**Ms Tanu Singla** Independent Director
1	Leadership and Management	Trait of creating an inspiring vision, motivating people to engage with that vision and manage delivery of the vision	√	√	√	√	√	√	√	√
2	Industry knowledge (Pharma Industry)	Knowledge of the Pharma industry and general understanding of government legislation/ legislative process with respect to governance of the Board affairs. Understanding of Pharma sector with specific emphasis on various factors influencing the business in the sector	√	√	√	√	√	√	√	√
3	Business acumen	Ability to combine experience, knowledge & perspective to make sound business decisions	√	√	√	√	√	√	√	√
4	Strategic thinking	Ability to identify opportunities, critical evaluation of the same and plan for successful implementation, to achieve desired business goal.	√	√	√	√	√	√	√	√
5	Finance & Accounting	Ability to analyse key financial statements, assess financial viability, contribute to strategic financial planning, oversee budgets & efficient use of resources, Knowledge on financial reporting, accounting principles, internal controls, auditing process and related considerations and issues	√	√	√	√	√	√	√	√
6	Risk management	Ability to identify key risks associated with the business and put in place risk minimisation and mitigation framework to insulate the business from pitfalls.	√	√	√	√	√	√	√	√
7	Governance	Compliance focus and strategic thinking /planning from governance aspect	√	√	√	√	√	√	√	√
8	International /Global knowledge	Awareness about relevant markets at global level and diversification of Company's business, global trends	√	√	√	√	√		√	

No.	Broad categories of skills	Core Skill/ Expertise/ Competencies identified by the Board	Whether the skills Set/ Area of Expertise /Knowledge is possessed by the Directors of the Company							
			Shri Ram Gopal Agarwal Chairman & Non-Executive Director	**Shri Manish Dhanuka** Managing Director	**Shri Mridul Dhanuka** Whole Time Director	**Shri Arun Kumar Dhanuka** Non-Executive Director	**Dr Dharam Vir** Independent Director	**Shri Manoj Kumar Goyal** Independent Director	**Shri Mudit Tandon** Independent Director	**Ms Tanu Singla** Independent Director
9	Strategic advisory	Ability to advise on organic/inorganic growth opportunities through acquisitions / combinations, assess build or purchase proposals, appreciative of and understanding of the regulatory and legal requirements of the sector / industry in which the Company operates in	√	√	√	√	√	√	√	√
10	Sales, Distribution & Brand Marketing	Experience in developing strategies to grow sales, and market share, create distribution models and build brand awareness to enhance company's reputation	√	√	√	√	√		√	
11	Operations	Expertise in managing the operations of the Company	√	√	√	√	√	√	√	√

7(a) Confirmation that in the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management

In the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

7(b) Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his/her tenure along with a confirmation by such director that there are no other material reasons other than those provided

None of the Independent Directors had resigned from the Company during the Financial Year 2021-2022.

8. Committees of the Board of Directors

The Board Committees play a crucial role in the Governance structure of the Company and have been assigned specific areas/activities that need closer review. They are set up under the formal approval of the Board, to carry out their clearly defined roles. Currently, the Board has the following mandatory Committees viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee and Non-mandatory Committees viz., Banking, Finance & Operations Committee, Business Restructuring Committee and Restructuring Committee. The terms of reference of these Committees are determined by the Board and their relevance is reviewed from time to time.

(I) Audit Committee

As at March 31, 2022, the Audit Committee comprised of two (2) Non-Executive Independent Directors and One (1) Executive Director (Whole Time Director). The composition of the Audit Committee meets with the requirements as laid down under Section 177 (2) of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

The composition of the Audit Committee and the attendance of the members at the meetings held during the year are given below:

COMPOSITION OF THE AUDIT COMMITTEE

Name of Committee Members	Designation	Committee position
Shri Manoj Kumar Goyal	Non-Executive Independent Director	Chairman
Smt Tanu Singla	Non-Executive Independent Director	Member
Shri Mridul Dhanuka	Executive-Whole Time Director	Member

Meetings and attendance of Audit Committee during the Financial Year 2021-2022

Seven (7) Meetings of the Audit Committee were held during the Financial Year 2021-22 on May 22,2021, July 15,2021,August 13,2021, November 01,2021,November 14,2021,December 16,2021 and February 12,2022. The necessary quorum was present during all the Meetings.

Name & Designation	Committee position	Number of meetings held	Number of Meetings attended
Shri Manoj Kumar Goyal Non- Executive Independent Director	Chairman	7	7
Smt Tanu Singla Non- Executive Independent Director	Member	7	7
Shri Mridul Dhanuka Executive-Whole Time Director	Member	7	7

Brief description of terms of reference

The Terms of reference specified by Board are described:

(i) The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

(ii) Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;

(iii) Examination of financial statements and the Auditors' report thereon;

(iv) Approval or any subsequent modification of transactions of the company with related parties;

(v) Scrutiny of inter-corporate loans and investments;

(vi) Valuation of undertakings or assets, wherever it is necessary;

(vii) Evaluation of internal financial controls and risk management systems;

In addition, the committee shall discharge such other role/function as envisaged under Regulation 18 read with Part C of Schedule II of the Listing Regulations and the provisions of Section 177 of the Companies Act, 2013.Shri Manoj Kumar Goyal, Independent Director is the Chairman of the Audit Committee. The Company Secretary is the Secretary of the Audit Committee.

(II) Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee of the Company comprises of two (2) Non-Executive Independent Directors and One (1) Non- Executive – Non-Independent Director. The composition of the Nomination and Remuneration Committee meets the requirements as laid down under Section 178 (1) of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The composition of the Nomination and Remuneration Committee and the attendance of the members at the meetings held during the year are given below:

COMPOSITION OF THE NOMINATION AND REMUNERATION COMMITTEE

Name of Committee Members	Designation	Committee position
Shri Mudit Tandon	Non-Executive Independent Director	Chairman
Shri Arun Kumar Dhanuka	Non-Executive Non-Independent Director	Member
Shri Manoj Kumar Goyal	Non-Executive Independent Director	Member

Meetings and attendance of Nomination & Remuneration Committee during the Financial Year 2021-2022.

One (1) meeting of the Nomination & Remuneration Committee was held during the Financial Year 2021-22 on May 22, 2021. The necessary quorum was present during the Meeting.

Name & Designation	Committee position	Number of Meetings held	Number of Meetings attended
Shri Mudit Tandon Non-Executive-Independent Director	Chairman	1	1
Shri Arun Kumar Dhanuka Non-Executive Non-Independent Director	Member	1	-
Shri Manoj Kumar Goyal- Non-Executive Independent Director	Member	1	1

Brief description of terms of reference

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
3. Devising a policy on diversity of Board of Directors;
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 for their appointment and removal.
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
6. Recommend to the Board of Directors, all remuneration in whatever form payable to the senior management.

In addition, the committee shall discharge such other role/function as envisaged under Regulation 19 read with Part D of Schedule II of the Listing Regulations and the provisions of Section 178 of the Companies Act, 2013.

(III) Stakeholder Relationship Committee (SRC)

The Stakeholders Relationship Committee of Directors looks into the redressal of complaints of investors such as share transfers or credit of shares, non-receipt of dividend/notices/annual reports, etc.

The Stakeholder Relationship Committee of the Company presently comprises of three (3) Non-Executive Independent Directors. The composition of the Stakeholder Relationship Committee meets the requirements as laid down under Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. Dr. Dharam Vir, Independent Director has been appointed as the Chairman of the SRC. Ms. Nikita K is the Company Secretary and Compliance Officer of the Company. The composition of the Stakeholder relationship Committee and the attendance of the members at the meetings held during the year are given below:

COMPOSITION OF THE STAKEHOLDER RELATIONSHIP COMMITTEE

Name of Committee Members	Designation	Committee position
Dr DharamVir	Non- Executive-Independent Director	Chairman
Smt Tanu Singla	Non- Executive-Independent Director	Member
Shri Manoj Kumar Goyal	Non- Executive-Independent Director	Member

Meetings and attendance of Stakeholder Relationship Committee during the Financial Year 2021-2022

One (1) meeting of the Stakeholder Relationship Committee was held during the Financial Year 2021-22 on May 22,2021. The necessary quorum was present during the meeting.

Name & Designation	Committee position	Number of meetings held	Number of Meetings attended
Dr Dharam Vir, Non- Executive- Independent Director	Chairman	1	1
Smt Tanu Singla, Non- Executive- Independent Director	Member	1	1
Shri Manoj Kumar Goyal, Non- Executive- Independent Director	Member	1	1

Brief description of terms of reference

(1) Review for the timely redressal of investors' complaints and to consider measures in the larger interest of investors;

(2) Resolving 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.

(3) Review of measures taken for effective exercise of voting rights by shareholders.

(4) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

(5) Review of 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.

In addition, the committee shall discharge such other role/function as envisaged under Part D of Schedule II of the Listing Regulations and the provisions of Section 178 of the Companies Act, 2013.

Detail of complaints received and resolved during the year

During the year, the company received 163 Complaints and all the complaints were resolved to the satisfaction of the investors and there are no pending complaints as on March 31, 2022.

(IV) Risk Management Committee

The Board of Directors at their meeting held on May 22, 2021, approved the constitution of the Risk Management Committee in line with Regulation 21 of the Listing Regulations as amended from time to time for monitoring the risk management process in the Company. The composition of the Risk Management Committee and the attendance of the members at the meetings held during the year are given below:

COMPOSITION OF RISK MANAGEMENT COMMITTEE

Name of Committee Members	Designation	Committee position
Dr DharamVir	Non-Executive - Independent Director	Chairman
Shri Manish Dhanuka	Executive Director-Managing Director	Member
Shri Mridul Dhanuka	Executive Director-Whole time Director	Member
Shri Sunil Kumar Gupta	Chief Financial Officer	Member
Dr R J Sarangdhar	Vice President - (Unit Head- API & FDF)	Member

Dr. Dharam Vir, Independent Director, is the Chairman of the Risk Management Committee. The role of this Committee is to review the annual risk management framework to ensure that it is comprehensive & well developed, to periodically review the process for systematic identification and assessment of the business risks, to assess the critical risk exposures by specialised analysis and quality reviews and report to the Board the details of any significant development relating to these including the steps being taken to manage the exposures, review the risks associated with cyber security, identify and make recommendations to the Board, to the extent necessary on resources and staffing required for an effective risk management.

Meetings and attendance of Risk Management Committee during the Financial Year 2021-2022

Two (2) meetings of the Risk Management Committee were held during the Financial Year 2021-22 on August 13, 2021 and December 16, 2021. The necessary quorum was present during the Meeting.

Name & Designation	Committee position	Number of Meetings held	Number of Meetings attended
Dr DharamVir Non-Executive - Independent Director	Chairman	2	2
Shri Manish Dhanuka Executive Director-Managing Director	Member	2	2
Shri Mridul Dhanuka Executive Director-Whole Time Director	Member	2	2
Shri Sunil Kumar Gupta Chief Financial Officer	Member	2	2
Dr R J Sarangdhar Vice President - (Unit Head- API & FDF)	Member	2	2

Brief description of terms of reference

1) Formulating a detailed Risk Management Policy
2) Monitoring and reviewing of the risk management plan/processes of the Company and ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities
3) To take steps to identify and mitigate Information Technology and Cyber Security Risks that the Company is or may be exposed to, on a regular basis
4) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company
5) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems
6) To periodically review the risk management policy, atleast once in two years including by considering the changing industry dynamics and evolving complexity
7) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken
8) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to the review by the Risk Management Committee
9) To assess the Company's risk profile and key areas of risk in particular.
10) The Risk Management Committee shall evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner
11) To recommend the Board and adoption of risk assessment and rating procedures.
12) To articulate the Company's policy for the oversight and management of business risks.
13) To examine and determine the sufficiency of the Company's internal processes for reporting on and managing key risk areas.
14) To develop and implement a risk management framework and internal control system.
15) Such other functions as the Board of Directors may deem fit

NON-MANDATORY COMMITTEES

V) Banking, Finance and Operations Committee

The Banking, Finance and Operations Committee is inter-alia entrusted with the power to monitor and review and take care of the various routine banking, financial (including borrowings monies) and operational matters of the Company. The composition of the Banking, Finance and Operations Committee and the attendance of the members at the meetings held during the year are given below:

COMPOSITION OF BANKING, FINANCE AND OPERATIONS COMMITTEE

Name of Committee Members	Designation	Committee Position
Shri Manish Dhanuka	Executive Director-Managing Director	Chairman
Shri Arun kumar Dhanuka	Non-Executive Director-Non-Independent Director	Member
Shri Mridul Dhanuka	Executive Director-Whole time Director	Member

Meetings and attendance of Banking, Finance and Operations Committee during the Financial Year 2021-2022

Eight (8) meetings of the Banking, Finance and Operations Committee was held during the Financial Year 2021-22 on April 22,2021, July 02,2021, July 22,2021, August 23,2021, September 21,2021, October 08,2021, November 25,2021 and March 04,2022.

Name & Designation	Committee position	Number of meetings held	Number of Meetings attended
Shri Manish Dhanuka, Executive Director-Managing Director	Chairman	8	8
Shri Arun Kumar Dhanuka, Non-Executive Director-Non-Independent Director	Member	8	8
Shri Mridul Dhanuka, Executive Director-Whole time Director	Member	8	8

(VI) BUSINESS RESTRUCTURING COMMITTEE (BRC)

The Business Restructuring Committee of the Board of Directors was constituted by the Board of Directors at their meeting held on May 22, 2021. The role of the BRC inter- alia includes evaluation of proposals of business restructuring and recommend to the Board of Directors. The composition of the Business Restructuring Committee and the attendance of the members at the meetings held during the year are given below:

COMPOSITION OF BUSINESS RESTRUCTURING COMMITTEE

Name of Committee Members	Designation	Committee Position
Shri Manish Dhanuka	Executive Director - Managing Director	Chairman
Shri Mridul Dhanuka	Executive Director - Whole Time Director	Member
Shri Sunil Kumar Gupta	Chief Financial Officer	Member

Shri Manish Dhanuka, Managing Director is the Chairman of the Business Restructuring Committee.

Meetings and attendance of Business Restructuring Committee during the Financial Year 2021-2022

One (1) meeting of the Business Restructuring Committee was held during the Financial Year 2021-22 on September 06,2021

Name & Designation	Committee position	Number of Meetings held	Number of Meetings attended
Shri Manish Dhanuka - Executive - Managing Director	Chairman	1	1
Shri Mridul Dhanuka - Executive - Whole Time Director	Member	1	1
Shri Sunil Kumar Gupta - Chief Financial Officer	Member	1	1

(VII) RESTRUCTURING COMMITTEE (RC)

The Restructuring Committee of the Board of Directors was constituted by the Board at their meeting held on December 16,2021 inter-alia to take all ancillary steps as may be considered expedient in connection with the proposed Scheme of Arrangement and Amalgamation of Dhanuka Laboratories Limited with and into Orchid Pharma Limited. The composition of the Restructuring Committee and the attendance of the members at the meetings held during the year are given below:

COMPOSITION OF RESTRUCTURING COMMITTEE

Name of Committee Members	Designation	Committee Position
Shri Manish Dhanuka	Executive Director - Managing Director	Chairman
Shri Mridul Dhanuka	Executive Director - Whole Time Director	Member
Shri Sunil Kumar Gupta	Chief Financial Officer	Member
Ms. Nikita K	Company Secretary	Member

Shri Manish Dhanuka, Managing Director is the Chairman of the Restructuring Committee.

Meetings and attendance of Restructuring Committee during the Financial Year 2021-2022

No meeting of the RC was held during the financial year 2021-2022.

(VIII) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

During the year under review, the provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company. Hence, the constitution of Corporate Social Responsibility Committee is not applicable.

Performance Evaluation criteria for Independent Directors

The Performance evaluation of Independent Directors was carried out on an annual basis. Structured assessment forms were used for the evaluation of Independent Directors comprising various aspects relevant to their functioning such as attendance at the Board and Committee meetings and active participation thereof, flow of information to the Board, objective judgment, adherence to the Code of Conduct, effectiveness of contribution and its impact on the Company, performance of specific duties and obligations, governance, etc.

Details of the Remuneration and Sitting Fee paid to the Directors for the Financial Year 2021-2022 are given below:

Name(s) of the Director(s)	Remuneration paid during the year 2021-2022 (In Rs.)					No. of Stock Options
	Salary & Perquisites	Bonus	Sitting fees	Others	Total	
Shri Ram Gopal Agarwal, Chairman & Non-Executive Director	-	-	50,000	-	50,000	-
Shri Manish Dhanuka, Managing Director~	65,53,329	7,560	-	7,74,400	73,35,289	-
Shri Mridul Dhanuka, Wholetime Director~	65,53,329	7,560	-	7,74,400	73,35,289	-
Shri Arun Kumar Dhanuka, Non-Executive Non Independent Director	-	-	1,50,000	-	1,50,000	-
Smt Tanu Singla, Independent Director	-	-	2,20,000	-	2,20,000	-
Dr Dharam Vir, Independent Director	-	-	1,95,000	-	1,95,000	-
Shri Mudit Tandon, Independent Director	-	-	1,35,000	-	1,35,000	-
Shri Manoj Kumar Goyal, Independent Director	-	-	2,25,000	-	2,25,000	-

~ Service contracts, notice period, severance fees for the Executive Directors: None

Criteria of making payments to Non-Executive Directors

Pursuant to Section 178 of Companies Act, 2013 and the Listing Regulations, the Nomination and Remuneration Committee has laid down criteria and terms and conditions relating to Nomination and remuneration of the directors, Senior Management and Key Managerial Personnel. The detailed policy is posted on your Company's website www.orchidpharma.com/downloads/Criteria%20for%20making%20payment%20to%20Non-Executive%20Directors.pdf

Details of pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company

All Non-Executive Directors are entitled only to Sitting fee for every Board and Committee Meeting they attend. Other than the Sitting fee, they do not have any pecuniary relationship or transactions with the Company.

(9) General Body meetings

Details of Annual General Meetings held in the last three (3) years are as follows:

Financial Year	Location	Special resolutions passed	Date	Time
2020-2021	The Annual General meeting was held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"). The Registered office of the Company i.e. "Orchid Towers", No.313, Valluvarkottam high road, Nungambakkam, Chennai-600034 shall be deemed to be the venue of the meeting.	Three resolutions I) To approve the Borrowing powers of the Company under Section 180(1) (c) of the Companies Act, 2013 ii) Approval for creation of Charges/ Mortgage properties of the Company under Section 180(1)(a) of the Companies Act, 2013 iii) Approval to make Investments, give loans, guarantees and provide securities under Section 186 of the Companies Act, 2013	August 13,2021	12.15 P.M.
2019-2020	The Annual General meeting was held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"). The Registered office of the Company i.e. "Orchid Towers", No.313, Valluvarkottam high road, Nungambakkam, Chennai-600034 shall be deemed to be the venue of the meeting.	Two resolutions I) Sell, lease or otherwise dispose of whole or substantially the whole of the Undertaking(s) of the Company. ii) Fund raising through issue of Equity Shares on a Preferential Allotment/ Private Placement Basis.	December 30, 2020	12:00 Noon
2018-2019	Sri Thyaga Brahma Gana Sabha (Vani Mahal), No.103, G N Chetty Road, Parthasarathi Puram, T Nagar, Chennai - 600 017, Tamil Nadu.	-NIL-	December 30, 2019	11:00 A.M.

All the resolutions including the special resolutions set out in the respective notices were passed by the Shareholders with more than requisite percentage (%) of votes, as prescribed under the Act. An Extra-ordinary General Meeting of the members of the Company was held on June 29, 2021 during the Financial year 2021-2022.

Details of resolutions passed through Postal Ballot, the person who conducted the postal ballot exercise and details of voting pattern:

The Company had sought the approval of the Shareholders by way of an Ordinary resolution towards related party transaction under Section 188 of the Companies Act, 2013 & Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Purchase of land and building from M/s. Dhanuka Laboratories Limited and related party transaction under Section 188 of the Companies Act, 2013& Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Purchase of land and building from M/s. Synmedic Laboratories through notice of Postal ballot dated November 01, 2021 pursuant to Section 110 of the Companies Act, 2013 as amended which was duly passed and the results of which were announced on December 13,2021. The Postal Ballot was conducted by Shri Prasanta Kumar Roy Burman, Proprietor of M/s. Kumar Roy barman Prasanta & Associates, Practicing Chartered Accountant who was appointed as the Scrutinizer by the Board of Directors. The Scrutinizer's report on the results of the aforesaid Postal ballot same is available at the website of the Company and the web link for the same is www.orchidpharma.com/downloads/Scrutinizer%E2%80%99s%20Report%20on%20the% 20outcome% 20of%20e-Voting%20on% 20the%20Postal%20Ballot.pdf.

Procedure for postal ballot: The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the General Circular nos. 14/2020, 17/2020 and 02/2021 dated April 8, 2020, April 13, 2020 and January 13, 2021 respectively issued by the Ministry of Corporate Affairs.

During the year, no special resolutions were passed through postal ballot and as at the year end, there are no proposals to pass special resolutions through postal ballot except those requiring to be passed pursuant to the Companies Act, 2013 / Listing Regulations which will be done after providing adequate notice to the shareholders

10. Means of Communication

- Financial Results (Quarterly/Annual) are generally published by the Company in Financial Express (English) and Makkal Kural (Tamil)
- Results are also uploaded on the website of the company (www.orchidpharma.com). Official news releases are also updated on the site.
- The Company has an intranet portal to communicate with its employees.
- Key developments are communicated to the Stock Exchanges and media as and when they occur.

Presentations were made to the Institutional Investors / Analysts during the Financial Year 2021-2022.The presentations made to the Institutional Investors / Analysts are posted on the Company's website and can be accessed at www.orchidpharma.com/downloads/Orchid%20Pharma%20Ltd%20Corporate%20PPT%20for%20Investors.pdf

11. General Shareholder Information

	General Shareholder Information	
1	Registered Office	CIN:L24222TN1992PLC022994 'ORCHID TOWERS', No. 313, Valluvar Kottam High Road, Nungambakkam, Chennai - 600 034, Tamil Nadu, India.
2	Date, Time and Venue of 29th Annual General Meeting (AGM)	Friday, July 15, 2022 at 3:00 P.M. through Video Conference ("VC")/Other Audio Visual Means ("OAVM"). The Registered office of the Company i.e. "Orchid Towers", No.313, Valluvarkottam high road, Nungambakkam, Chennai-600034 shall be deemed to be the venue of the meeting.
3	Book Closure Date	Friday, July 08, 2022 to Friday, July 15, 2022 (both days inclusive)
4	Financial Calendar	1st April to 31st March
	Financial reporting for -	Tentative date
	Quarter ending June 30, 2022	On or before August 14, 2022
	Quarter ending September 30, 2022	On or before November 14, 2022
	Quarter ending December 31, 2022	On or before February 14, 2023
	Quarter ending March 31, 2023	On or before May 30, 2023
5	Dividend Payment Date	No Dividend was declared during the year 2021-22 and accordingly not applicable.
6	The Equity Shares of Rs.10/- each are listed at	**National Stock Exchange of India Limited** "Exchange Plaza", Plot No, C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra, India Tel: 91-22-26598100, Fax : 91-22-26598120
		BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, Maharashtra, India Tel : 91-22-22721233 ,Fax : 91-22-22721919
7	Global Depository Receipts (GDR's) are listed at*	**Luxembourg Stock Exchange** Boursede Luxembourg, 35A Boulevard Joseph II, L-1840 Luxembourg. Telephone: +352 47 79 36 - 1, Fax: +352 47 32 98.
		London Stock Exchange Registered Office: 10, Paternoster Square, London EC4M 7LS
8	Listing Fees	Listing Fees has been paid for all the above Indian Stock Exchanges for the year 2021-22.

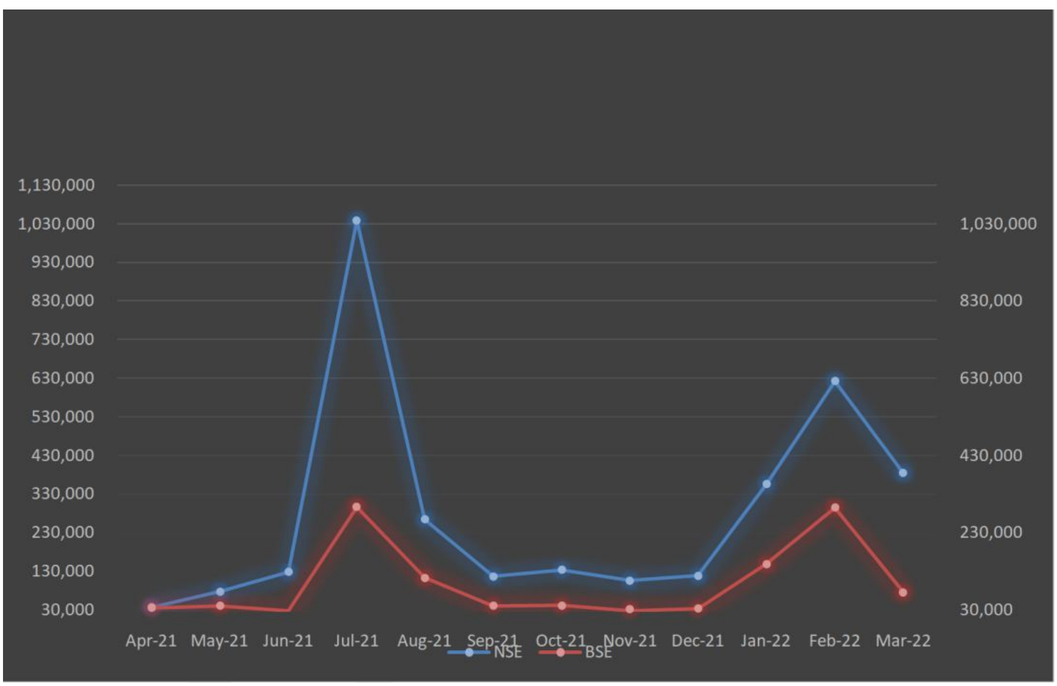
*Pursuant to the Reduction and Consolidation of share capital as per the approved resolution plan for the company the total number of GDRs had reduced from 32,26,688 constituting 3.63% of the total paid up share capital to 14,803 GDRs constituting 0.04 % of the paid up share capital of the company. Considering the low number of outstanding GDRs and the expenses associated with the GDR program without any commensurate benefit prompted, the decision to delist the outstanding GDRs from the aforesaid stock exchanges was approved by the Board of directors of the company at the meeting held on May 22, 2021. 14,803 outstanding global depository receipts were cancelled from admission to trading on the London stock exchange and Luxembourg stock exchange with effect from November 15, 2021.

Stock Market data

a) Monthly high and low quotations along with the volume of shares traded at NSE and BSE for 2021-2022 are:

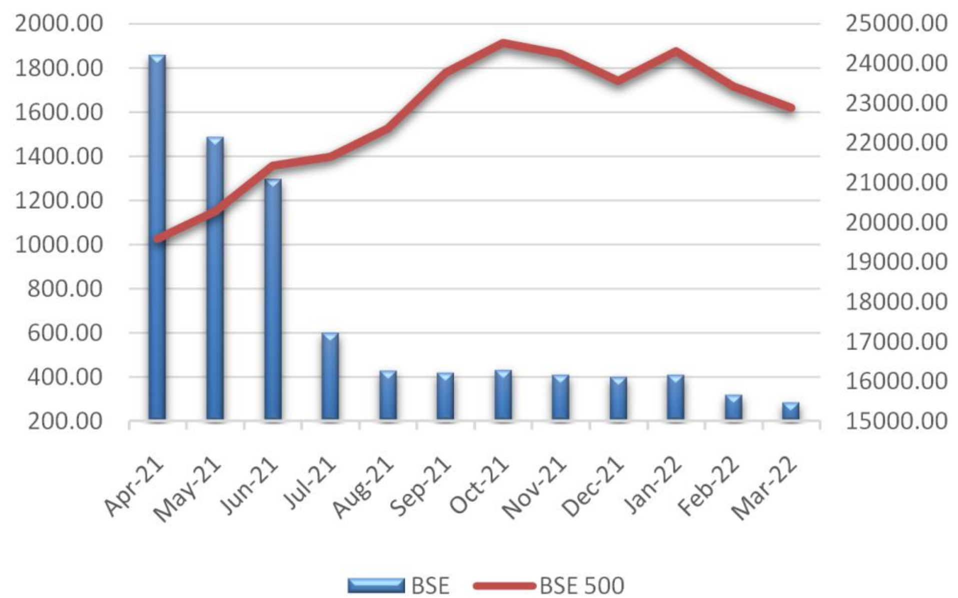
Month	NSE			NSE S&P CNX 500 Index (Avg)	BSE			BSE 500 Index (Avg)
	High (Rs.)	Low(Rs.)	Volume of shares (Nos)		High (Rs.)	Low(Rs.)	Volume of shares (Nos)	
Apr-21	2654.25	1,366.15	36,491	12,305.08	2,680.00	1,398.90	34,815	19,588.81
May-21	1,667.00	1,380.00	76,842	12,741.39	1,659.00	1,377.70	40,268	20,287.99
Jun-21	1,450.00	914.00	127,937	13,457.44	1,490.00	916.70	27,824	21,431.90
Jul-21	868.05	442.00	1,037,997	13,607.00	870.90	439.55	296,828	21,660.84
Aug-21	497.40	365.00	263,711	14,044.48	495.30	362.55	113,153	22,360.34
Sep-21	437.00	388.00	116,539	14,939.03	439.40	386.00	40,365	23,767.65
Oct-21	463.00	395.00	133,248	15,413.59	468.90	395.00	41,177	24,515.10
Nov-21	432.00	386.00	105,407	15,250.97	432.00	378.55	31,008	24,240.21
Dec-21	419.75	385.00	117,593	14,835.13	424.30	372.45	33,054	23,554.82
Jan-22	460.00	370.00	355,353	15,297.06	463.05	370.60	148,226	24,298.36
Feb-22	390.05	265.00	622,085	14,736.06	387.15	260.20	294,408	23,419.66
Mar-22	295.20	268.30	383,604	14,395.30	298.00	268.15	75,564	22,882.19
TOTAL			**3,376,807**				**1,176,690**	

b. Graphical representation of the volume of shares traded of Orchid during the financial year 2021-2022



c. Comparison of share price of Orchid Vs NSE S& P CNX 500price

d. Comparison of share price of Orchid Vs broad based indices of BSE



Stock Exchange Security Code and other related information

BSE Limited	524372
National Stock Exchange of India Limited	ORCHPHARMA
Depository ISIN No.	INE191A01027
Corporate Identification Number (CIN)	L24222TN1992PLC022994

EQUITY HISTORY OF THE COMPANY SINCE INCORPORATION OF THE COMPANY UP TO MARCH 31, 2022

Date	Particulars	Number of Shares	
		Issued	Cumulative
13-Jul-92	Subscribers to Memorandum	70	70
26-Nov-92	Issued to Promoters on Private Placement basis	2,49,930	2,50,000
27-Feb-93	Issued on Private Placement basis	14,51,800	17,01,800
04-Nov-93	Issued on Private Placement basis	17,98,200	35,00,000
08-Nov-93	Public Issue	25,00,000	60,00,000
18-Jul-94	Issued on Private Placement basis	12,00,000	72,00,000
01-Nov-94	Issued to Foreign Institutional Investors on Private Placement basis	2,50,000	74,50,000
03-Nov-94	Issued on Private Placement basis	12,23,000	86,73,000
21-Apr-95	Rights Issue (1:1)	86,73,000	1,73,46,000
09-Dec-99	Issued to Foreign Companies on Private Placement basis	1,06,53,192	2,79,99,192
21-Nov-02	Allotment pursuant to conversion of FCCBs	43,82,727	3,23,81,919
01-Mar-05	Allotment pursuant to conversion of warrants	17,50,000	3,41,31,919
27-Apr-05	Allotment pursuant to exercise of ESOS	11,800	3,41,43,719
02-Aug-05	Allotment pursuant to exercise of ESOS	59,485	3,42,03,204
02-Aug-05	Allotment pursuant to conversion of warrants	1,80,000	3,43,83,204
31-Aug-05	Allotment pursuant to exercise of ESOS	3,00,676	3,46,83,880
31-Aug-05	Allotment pursuant to conversion of warrants	70,000	3,47,53,880
21-Sep-05	Bonus Issue (1:2)	1,73,76,940	5,21,30,820
13-Oct-05	Allotment pursuant to conversion of warrants	1,05,000	5,22,35,820
02-Nov-05	Allotment pursuant to conversion of GDRs	92,50,000	6,14,85,820
23-Dec-05	Allotment pursuant to exercise of ESOS	19,649	6,15,05,469
01-Mar-06	Allotment pursuant to conversion of FCCBs	1,84,330	6,16,89,799
07-Mar-06	Allotment pursuant to conversion of FCCBs	4,60,827	6,21,50,626
20-Mar-06	Allotment pursuant to conversion of FCCBs	17,51,146	6,39,01,772
20-Mar-06	Allotment pursuant to conversion of warrants	50,000	6,39,51,772
31-Mar-06	Allotment pursuant to conversion of FCCBs	6,52,531	6,46,04,303
31-Mar-06	Allotment pursuant to conversion of FCCBs	13,879	6,46,18,182
18-Apr-06	Allotment pursuant to conversion of FCCBs	4,14,744	6,50,32,926
28-Apr-06	Allotment pursuant to conversion of FCCBs	7,37,325	6,57,70,251
28-Apr-06	Allotment pursuant to exercise of ESOS	3,475	6,57,73,726
31-May-06	Allotment pursuant to conversion of warrants	35,000	6,58,08,726
31-May-06	Allotment pursuant to exercise of ESOS	3,015	6,58,11,741
19-Oct-06	Allotment pursuant to exercise of ESOS	4,000	6,58,15,741
19-Jan-07	Allotment pursuant to exercise of ESOS	550	6,58,16,291
03-May-07	Allotment pursuant to exercise of ESOS	6,085	6,58,22,376

Date	Particulars	Number of Shares	
		Issued	Cumulative
17-Jul-07	Allotment pursuant to exercise of ESOS	5,650	6,58,28,026
18-Oct-07	Allotment pursuant to exercise of ESOS	6,000	6,58,34,026
20-Dec-07	Allotment pursuant to exercise of ESOS	3,000	6,58,37,026
17-Jan-08	Allotment pursuant to exercise of ESOS	13,750	6,58,50,776
26-Apr-08	Allotment pursuant to exercise of ESOS	9,425	6,58,60,201
29-May-08	Allotment pursuant to exercise of ESOS	16,375	6,58,76,576
13-Aug-08	Allotment pursuant to conversion of warrants	3,81,000	6,62,57,576
13-Aug-08	Allotment pursuant to exercise of ESOS	4,000	6,62,61,576
29-Aug-08	Allotment pursuant to conversion of warrants	41,79,000	7,04,40,576
29-Aug-08	Allotment pursuant to exercise of ESOS	1,500	7,04,42,076
17-May-12	Allotment pursuant to exercise of ESOS	10,000	7,04,52,076
22-Dec-14	Allotment pursuant to Preferential Allotment to Promoters	1,48,09,801	8,52,61,877
09-Oct-15	Allotment pursuant to Preferential Allotment to Promoters	37,02,450	8,89,64,327
30-Mar-20	Reduction and consolidation of share capital as per approved Resolution plan	4,08,164	4,08,164
30-Mar-20	Allotment of Equity shares on Preferential basis to eligible Secured Financial Creditors pursuant to conversion of loan into equity (Part) as per Approved Resolution Plan	4,08,164	8,16,328
31-Mar-20	Allotment of Equity shares to M/s. Dhanuka Laboratories Limited pursuant to Scheme of Amalgamation as per Approved Resolution Plan	3,99,90,072	4,08,06,400
31-Mar-20	Allotment of shares to M/s. Dhanuka Laboratories Limited as per Approved Resolution Plan	10,000	4,08,16,400
	Total	**4,08,16,400**	

Distribution of Shareholding as on March 31,2022

S.No.	No. of equity shares	No. of shareholders	% of Shareholders	No. of shares	% of Shareholding
1	Upto 100	32560	94.41	350276	0.86
2	101 - 500	1463	4.24	347922	0.85
3	501 - 1000	245	0.71	184385	0.45
4	1001 - 2000	98	0.28	139795	0.34
5	2001 - 5000	77	0.22	242618	0.59
6	5001 - 10000	15	0.04	113802	0.28
7	10001 - 20000	10	0.03	135484	0.33
8	20001 - 30000	6	0.02	158017	0.39
9	30001 - 40000	2	0.01	62650	0.15
10	40001 - 50000	3	0.01	127867	0.31
11	50001 - 100000	1	0.00	89050	0.22
12	100001 - 500000	5	0.01	1144577	2.80
13	Above 500000	2	0.01	37719957	92.41
	Total	**34487**	**100.00**	**40816400**	**100.00**

Reconciliation of Share Capital Audit

A Qualified practicing Company Secretary Carries out reconciliation of share capital audit every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Shareholding Pattern as on March 31, 2022

	Category	No. of Shares held	% of Shareholding
I	**PROMOTER HOLDING**		
	Promoters / Promoter Group		
	(a) Indian	3,67,19,957	89.96
	(b) Foreign	-	-
	Sub-Total (1)	**3,67,19,957**	**89.96**
II	**NON-PROMOTER HOLDING**		
	Institutional Investors		
	(a) Mutual Funds	10,00,001	2.45
	(b) Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-government Institutions)	2,27,959	0.55
	(c) Foreign Portfolio Investors	6,55,078	1.61
	Sub-Total (2)	**18,83,038**	**4.61**
III	**OTHER INVESTORS**		
	(a) Corporate Bodies	2,78,913	0.68
	(b) Indian Public (Resident Individuals)	13,62,761	3.34
	(c) Non Resident Indians / Overseas Corporate Bodies	19,290	0.05
	(d) Foreign Companies	68	0.00
	(e) IEPF	567	0.00
	(f) Trusts	4	0.00
	(g) Overseas depository/GDR	14,803	0.04
	(h) Clearing Members	19,135	0.05
	(i) Limited Liability Partnership (LLP)	4,28,814	1.05
	(j) Others	89,050	0.22
	Sub Total (3)	**22,13,405**	**5.42**
	GRAND TOTAL (1+2+3)	**4,08,16,400**	**100.00**

Global Depositary receipts (GDRs) / Convertible instruments

The number of GDRs outstanding as on March 31, 2022 are 14,803. Each GDR is represented by an underlying equity share.

As per the approved Resolution plan, your Company had issued 14,300 Zero Coupon, Optionally Convertible Non-marketable Debentures of Rs.1,00,000/- aggregating to Rs.143 Crores to M/s. Dhanuka Laboratories Limited. The tenor of the OCDs shall be Ten (10) years or such further period as may be mutually discussed between the Company and OCDs holder. In case, the OCD holders exercise their option to convert the same, then the said conversion shall happen only on the basis of face value of each of the OCD and no interest shall be payable to the OCD holders. However, if the OCD holders opt not to exercise their option for conversion, then the OCD holders shall be entitled to redemption premium of at least 11 % IRR on annual basis on the amount of the said OCDs or such higher amount as the Board decides after considering the market price of shares of the Company and the achievement of EBIDTA; however in any case, redemption premium shall not exceed beyond 18% IRR on an annual basis. The said OCD, till the time it is not converted into equity shares, shall not be listed on any stock exchange in India and are permitted to be transferred only with the permission of the Board of Directors of the Company. Further there shall be no redemption of OCDs, including payment of interest/ other kind of return of what so ever nature thereon, until entire outstanding of the loan availed from Union Bank of India is paid in full to the lender. The OCD holder, any time during the tenor shall have the right to convert whole or any part of OCDs into equity shares of Rupees 10/- each at par of Company ("OCD Conversion shares") and accordingly, each OCD of Rupees One Lakh will be converted into 10,000 equity shares having face value of Rs.10 each ("OCD Conversion ratio").

Dematerialization of Shares and Liquidity

In compliance with the SEBI Circular dated 30 September, 2011, 100% of the Company's Promoters and Promoter – Group Shareholding is in demat mode. As on 31st March, 2022, 4,08,12,856 Equity Shares of the Company (99.99% of shares) were held in dematerialized form. All the requests for nomination, change of address, change of Bank mandate/ Bank particulars and dematerialization of Shares etc. are to be made only to the Depository Participant with whom the Shareholders have opened their Demat Account. Only 3,544 Equity Shares were held in physical mode as on March 31, 2022.

Registrar and Share Transfer Agent and Share Transfer System

M/s. Abhipra Capital Limited, Abhipra Complex, A-387, Dilkhush Industrial Area, GT Karnal Road, Azadpur New Delhi-110033 were appointed as the Registrar and Share Transfer Agent of the Company with effect from July 30, 2021 in place of M/s. Integrated Registry Management Services Private Limited,Chennai. In compliance with Regulation 40(9) of the Listing Regulations, the Company obtains a certificate from a practicing Company Secretary at the end of the financial year certifying that all certificates have been issued within thirty days of the date of lodgement for transfer, subdivision, consolidation, renewal, exchange or endorsement of calls/allotment monies. A copy of the certificate, so received, is submitted to the stock exchange(s).

The Company has received a request for transmission of share during the year and same has been effected within 30 days of lodgement of request. The company has transferred shares to IEPF Authority during the year and has issued the duplicate share certificates for this purpose. The Company is not accepting any new request for effecting transfer of securities in physical mode. The transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form.

Unclaimed Dividends & transfer of shares

The Company has not declared any dividend from the financial year 2012-2013 and hence transfer of unclaimed dividend amount to IEPF does not arise during the financial year 2021-22. During the Financial year 2021-2022, the Company has transferred 436 equity shares to the Investor Education and Protection Fund Authority pursuant to Section 124(6) of the Companies Act, 2013 and the Companies Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (amended from time to time). The Company had issued the requisite notice to the shareholders concerned intimating them of the impending transfer of shares and had simultaneously published a notice in leading dailies. Further, the Company has uploaded the details of the same on its website for the information of the shareholders.

The Shareholders can get back the unpaid dividend/claim the shares from the Investor Education and Protection Fund Authority by making an application online in Form IEPF-5 available on the website www.iepf.gov.in/IEPF/corporates.html along with the requisite documents. Upon filing the said e-form the shareholder shall write to the Company/ Registrar for completing the other procedural formalities in this regard.

Equity Shares in the Suspense Account

There are no outstanding shares lying in the suspense account as on March 31, 2022.

ECS Mandate

To service its investors better, the Company requests all its members who hold shares in electronic form to update their bank particulars with their respective depository participants immediately. Shareholders holding shares in physical form may kindly forward the bank particulars to the Company's Registrar and Share Transfer Agent.

List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad

During the Financial Year 2021-2022, CARE (CARE Ratings Ltd) had revised/assigned the Credit Rating of the following instruments:

Rating Agency	Instrument Type	Amount	Existing rating/outlook	Revised rating/outlook/ Assigned	Rating action
CARE Ratings Limited	Long term bank facilities	Rs.186 Crores (Reduced from Rs.427 Crores)	CARE BB+; Stable (Double B Plus; Outlook :Stable)	CARE BBB- ; Stable (Triple B Minus; Outlook :Stable)	Revised
	Short Term bank facilities	Rs. 50 Crores	CARE A4+ (A Four plus)	CARE A3 (A Three)	Revised
	Long term bank facilities	Rs.75 Crores	Not applicable	CARE BBB- ; Stable (Triple B Minus; Outlook: Stable)	Assigned
	Long term bank facilities	Rs.261 Crores	CARE BBB - ; Stable	CARE BBB- (CWD)	Placed on Credit watch with Developing Implications
	Short Term bank facilities	Rs. 50.00 Crores	CARE A3	CARE A3 (CWD)	Placed on Credit watch with Developing Implications

Plant Locations:

a) Active Pharmaceutical Ingredient Facilities & R&D Block Alathur Works

Plot Nos. 85-87, 98-100, 126-131, 138-151, 159-164 and Survey Nos. 257, 259, 261-264, 265(P), 266-280, 284, 285, 287-296, 250 SIDCO Industrial Estate, Alathur, Kancheepuram District, PIN 603 110, Tamil Nadu, India.

b) Formulations (Finished Dosage Form) Facilities

i) A10/A11, SIDCO Industrial Estate Alathur, Kancheepuram District, PIN 603 110, Tamil Nadu, India

ii) B-77, SIDCO Industrial Estate, Alathur, Kancheepuram District, PIN 603 110, Tamil Nadu, India

Investor Contacts

a) Investor Correspondence/ Compliance Officer/ Nodal Officer

Ms. Nikita. K
Company Secretary & Compliance Officer
Orchid Pharma Limited
"Orchid Towers", 313 Valluvar Kottam High Road, Nungambakkam, Chennai – 600 034.
Phone: (044) - 2824 4355; Fax: (044) – 2821 1002
E-mail: nikitak@orchidpharma.com
Website: www.orchidpharma.com

b) Registrar and Share Transfer Agent

Abhipra Capital Limited, Abhipra Complex, A-387, Dilkhush Industrial Area, GT Karnal Road, Azadpur New Delhi-110033, India . Tel : (011) - 42390700, E-Mail :info@abhipra.com, Rta@abhipra.com Website : www.abhipra.com

Other Disclosures

Materially Significant Related Party Transaction

The Company has not entered into any materially significant related party transaction that may have potential conflict with the interests of the Company at large. The Board of Directors have approved and adopted a "Policy on Materiality of Related Party Transactions (RPT) and dealing with RPT" and the same has been uploaded on the website of the Company and can be accessed at www.orchidpharma.com/downloads/Policy%20on%20materiality%20and%20dealing%20with%20Related%20Party%20Transactions.pdf

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the year under review were on arm's length price basis. The details of Related Parties and Related Party Transactions as required are furnished under Note No.49 of the notes to the accounts attached with the standalone financial statements of the Company for the year ended March 31, 2022.Details of material transactions with the related parties entered into during the year is disclosed in Form – AOC – 2 annexed to this report as Annexure - VIII

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

During the Financial year 2019-2020, there was a delay in compliance with Regulation 6(1) of the SEBI (LODR) Regulations, 2015 as the Company was unable to appoint the Company Secretary within the stipulated timelines and hence a fine of Rs.75, 520/- by the NSE and Rs.75,520/- by BSE in this regard was imposed during the financial year 2020-2021. The above fines have been remitted by the Company to the Stock exchanges. The Company had made necessary representations to NSE and BSE for the waiver os fine imposed and during the year under review, BSE Limited has waived off the fine imposed towards non- compliance with Regulation 6(1) of the SEBI (LODR) Regulations, 2015.

Vigil Mechanism /Whistle blower policy

With a view to establish a mechanism for protecting employees & reporting unethical behaviour, frauds, or violation of the Company's Code of Conduct, the Board has established a vigil mechanism that enables the Directors & the Employees report genuine concerns and also adopted a Whistle Blower Policy. The Company encourages its employees who have concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct to come forward and express their concerns without fear of punishment or unfair treatment. No person has been denied access to the Audit Committee. The Whistle blower Policy adopted by the Company may be accessed at www.orchidpharma.com/downloads/Policy%20on%20%20Whistle%20Blower.pdf

Policy on determining material subsidiaries

Your Company has framed a Policy for determining material subsidiaries in compliance with Regulation 16 (1) (c) of the Listing Regulations, 2015, in order to determine the material subsidiaries of the Company and the same is available at the website of the Company and the web link for the same is www.orchidpharma.com/downloads/Policy%20for%20determining%20material%20subsidiaries.pdf

Commodity price risk, Foreign Exchange Risk and Hedging Activities

A significant part of the Orchid's revenue, costs, assets and liabilities are denominated in foreign currencies. Unhedged trade and financial exposure thus creates potential to adversely impact its operations and overall profitability.

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI (LODR) Regulations.

During the year, the Company has not raised funds through preferential allotment or qualified institutional placement.

If the Board has not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant financial year, disclosure thereof

Not Applicable

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

The amount of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis to, the Statutory Auditor in the financial year 2021-2022 is disclosed in Note No. 35(a) of consolidated financial statements.

Disclosures in relation to the Sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an anti-sexual harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Grievance Redressal Cell within the Human Resource Department has been set up to redress complaints regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company has not received any complaint on sexual harassment during the financial year ended March 31, 2022. Your Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

No loans and advances in the nature of loans to firms/companies in which directors are interested were provided during the reporting period.

Details of Compliance with Mandatory Requirements of Corporate Governance for the financial year 2021-2022

The Company has complied with the mandatory requirements of Corporate Governance in terms of Regulations 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year 2021-2022.

Compliance with Non-Mandatory Requirements

The Board

The Office of Non-Executive Chairman is maintained by the Company at its expenses and all the expenses incurred in performance of his duties are reimbursed by the Company.

Shareholder Rights

The quarterly and Annual financial results of the company are published in one English language national daily newspaper circulating in the whole or substantially the whole of India and one Tamil newspaper having wide circulation in Tamil Nadu, normally Financial Express and Makkal Kural. Further, the quarterly results are also posted on the website of the Company (www.orchidpharma.com) and on the websites of the Stock Exchanges with which the Company is listed.

In view of the foregoing, the quarterly /half-yearly results of the company were not sent to the shareholders individually.

Modified Opinion(s) in Audit Report

The modified opinion expressed by the Auditors on the Consolidated financial statements for the Financial Year 2021-2022 may be referred to in the Independent Auditor's report on the Consolidated financial statements.

Reporting of Internal Auditor

The internal auditors of the Company make presentations on half yearly basis to the Audit Committee.

Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

Shri Ram Gopal Agarwal, Non-Executive Director is the Chairperson of the Company. The Chairperson is not related to the Managing Director as per the definition of the term "relative" as defined under the Companies Act, 2013.

Disclosure of Compliance on Requirements of para (2) to (10) of Schedule V, Part C of Listing Regulations, 2015

The Company has complied with the mandatory requirements as specified in sub-para (2) to (10) of schedule V, Part C of Listing Regulations, 2015.

Disclosure of compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of Listing Regulations, 2015

The Company has complied with the Corporate governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of Listing Regulations, 2015.

Certificate from a Practising Company Secretary

Pursuant to Regulation 34(3) and Schedule V (C) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is annexed to this report.

Certificate on Corporate Governance

As required by Regulation 34(3) and Schedule V (E) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 a certificate from a Practicing Company Secretary regarding compliances of conditions of Corporate Governance is annexed to this report.

CEO/CFO Certification

The Board has received a compliance certificate from the Managing Director and the Chief Financial Officer of the Company pursuant to Regulation 17(8) read with Schedule II Part B of the Listing Regulations.

For and on behalf of the Board of Directors of
Orchid Pharma Limited

Place: Gurugram	**Manish Dhanuka**	**Arun Kumar Dhanuka**
Date : June 14 , 2022	Managing Director	Non Executive Director
	DIN: 00238798	DIN: 00627425

CEO / CFO CERTIFICATION

To

The Board of Directors
Orchid Pharma Limited
"Orchid Towers", 313 Valluvar Kottam High road
Nungambakkam, Chennai-600 034

We, Manish Dhanuka, Managing Director and Sunil Kumar Gupta, Chief Financial Officer of the Company hereby confirm and certify that:

(a) We have reviewed the Financial statements and the Cash flow statements of Orchid Pharma Limited for the year ended March 31, 2022 and that to the best of our knowledge and belief:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit committee:

i) Significant changes, if any, in internal control over financial reporting during the year;

ii) Significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the financial statements and

iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : Gurugram
Date: May 12, 2022

Manish Dhanuka
Managing Director

Sunil Kumar Gupta
Chief Financial Officer

CODE OF CONDUCT CERTIFICATION

To

The Members of Orchid Pharma Limited

This is to confirm that the Board has laid down a Code of Conduct for all Board members and Senior Management of Company.

It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company as at March 31, 2022, as envisaged in Regulation 34(3) read with Schedule V of the Listing Regulations

Manish Dhanuka
Managing Director

Place: Guru gram
Date: May 12, 2022

Certificate on Compliance with the conditions of Corporate Governance as stipulated under Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended)

To

The Members
Orchid Pharma Limited
CIN: L24222TN1992PLC022994
"Orchid Towers", 313,Valluvar Kottam High Road,
Nungambakkam, Chennai, Tamil Nadu -600034.

This certificate is being issued to Orchid Pharma Limited **("the Company")**, on compliance with the conditions of Corporate Governance as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2), and para C, D, and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (collectively referred to as **'SEBI Listing Regulations, 2015') ('applicable criteria')** with respect to Corporate Governance for the year ended March 31, 2022. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management Responsibility:

Compliance with the conditions of Corporate Governance as stipulated under Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended) is the responsibility of the Management along with the Board of Directors of the Company.

Our Responsibility:

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

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2022.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management along with the Board of Directors of the Company, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, as applicable on the Company for the year ended March 31, 2022.

Other Matters and Restrictions on use:

This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the SEBI Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **VAPN & Associates**
Practicing Company Secretaries
ICSI Unique Code: P2015DE045500
Peer Review Certificate No.975/2020

Place: New Delhi
Date: May 31, 2022

Ashok
Partner
ACS No: 55136 |COP No: 20599
ICSI UDIN:A05513D000439553

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members
ORCHID PHARMA LIMITED
CIN: L24222TN1992PLC022994
Orchid Towers, 313,Valluvar Kottam High Road,
Nungambakkam, Chennai, Tamil Nadu-600034.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Orchid Pharma Limited** having **CIN: L24222TN1992PLC022994** and having registered office at Orchid Towers, 313,Valluvar Kottam High Road, Nungambakkam, Chennai, Tamil Nadu-600034 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Companies Act, 2013.

Ensuring the eligibility for appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal www.mca.gov.in), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorised representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the financial year ended March, 2022, have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment in Company *
1.	Mr. Mridul Dhanuka	00199441	March 31, 2020
2.	Mr. Manish Dhanuka	00238798	March 31, 2020
3.	Mr. Ram Gopal Agarwal	00627386	March 31, 2020
4.	Mr. Arun Kumar Dhanuka	00627425	March 31, 2020
5.	Mr. Manoj Kumar Goyal	06361663	June 29, 2020
6.	Mr. Mudit Tandon	06417169	June 29, 2020
7.	Mr. Dharam Vir	08771224	June 29, 2020
8.	Ms. Tanu Singla	08774132	June 29, 2020

*The date of appointment is as per the MCA Portal.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the financial year ended March 31, 2022.

For VAPN & Associates
Practicing Company Secretaries
ICSI Unique Code: P2015DE045500
Peer Review Certificate No.975/2020

Ashok
Partner
ACS No: 55136 |COP No: 20599
ICSI UDIN: A055136D000358923

Date: May 21, 2022
Place: New Delhi

Annexure V to the Board's Report

PARTICULARS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

a. **The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year**

Except for Shri Manish Dhanuka, Managing Director and Shri Mridul Dhanuka, Whole Time Director none of the other directors were in receipt of remuneration for the Financial Year 2021-2022.

Name of Director	Director's Remuneration (In Rs.)	Median remuneration of employees for the FY 2021-2022 (in Rs.)	Ratio of remuneration of each Director to median remuneration of employees
Shri Manish Dhanuka Managing Director	73,35,289	5,04,456	14.54 times
Shri Mridul Dhanuka Wholetime Director	73,35,289	5,04,456	14.54 times

b. **Percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year**

The details pertaining to percentage increase in the remuneration of the Directors (Except for Shri Manish Dhanuka, Managing Director and Shri Mridul Dhanuka, Whole Time Director) cannot be calculated for the reasons as stated in the point no. (a) above.

Name of the Director/Key Managerial Personnel	% Increase in remuneration in 2022 as compared to 2021
Shri Manish Dhanuka, Managing Director	10%
Shri Mridul Dhanuka, Whole Time Director	10%
Shri Sunil Kumar Gupta, Chief Financial Officer	Not applicable@
Ms. Nikita K, Company Secretary	22%

@ **Shri. Sunil Kumar Gupta, Chief Financial Officer did not draw any remuneration from the Company for the Financial Year 2020- 2021 and 2021-2022**

c. **Percentage increase in median remuneration of employees in the Financial Year**

The percentage increase in median remuneration of employees during the financial year was 31.84%

d. **Number of permanent employees on the rolls of Company (as of 31st March, 2022): 946**

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

Increase of remuneration for employees other than the managerial personnel was in the varying range of 10% to 11% and for KMP the increase was in the varying range of 10% to 22% for the financial year 2021-2022. The increase during the year is based on Remuneration policy of the Company and reflects the Company's reward philosophy as well as the results of the salary benchmarking exercise.

f. **Affirmation that the remuneration is as per the Remuneration policy of the Company**

It is hereby affirmed that the remuneration paid is as per the Remuneration policy of the Company

For and on behalf of the Board of Directors of
Orchid Pharma Limited

Place: Gurugram
Date : June 14 , 2022

Manish Dhanuka
Managing Director
DIN: 00238798

Arun Kumar Dhanuka
Non Executive Director
DIN: 00627425

Annexure VI to the Board's Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2022

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

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2022

To,
The Members,
Orchid Pharma Limited

Chennai

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Orchid Pharma Limited** having CIN L24222TN1992PLC022994 (hereinafter called the company). Secretarial Audit was conducted based on records made available to us in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion/understanding thereon.
2. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we, on strength of those records, and information so provided for the year ended 31.03.2022, we hereby report that in our opinion and understandings, the Company has, during the audit period covering the financial year ended on March 31, 2022, appears to have complied with the statutory provisions listed hereunder and also in our limited review, that the Company has proper and required Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have not carried out audit to make sure and validate the correctness and appropriateness of Financial Records and Books of Accounts of the Company and compliance with respect to the applicable Financial Laws such as Direct and Indirect Tax Laws etc. Based on the information & explanations provided by the management and officers of the Company and certificates placed before the Board of Directors, we report that adequate systems are in place to monitor and ensure compliance.

We have examined the books, papers, minutes' book, forms and returns filed and other records maintained by the Company and made available to us, for the financial year ended on March 31, 2022 according to the applicable provisions of:

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

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

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

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

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

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

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

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

   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not Applicable during the year under review)

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; which is replaced by Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 w.e.f. 09.08.2021; (Not applicable during the year under review)

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

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; which is replaced by Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 w.e.f. 10.06.2021; (Not applicable during the year under review) and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review and

We have examined in a very limited manner, the systems and processes in place to ensure compliance with specific laws like the Environment (Protection) Act, 1986, The Hazardous and other wastes (Management and Transboundary Movement) Rules, 2016, The Water (Prevention & Control of Pollution) Act, 1974, The Air (Prevention & Control of Pollution) Act, 1981, considering and relying upon representations made by the Company and its Officers for systems and mechanism formed by the Company for compliances under these laws.

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

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

ii) The Listing Agreements entered into by the Company with National Stock Exchange Limited and BSE Limited and

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

During the period under review, the Company has complied except few forms filing with additional fees in accordance with the requirements to be met with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

It is represented to us that the company has initiated measures, wherever required, to address issues raised by the statutory authorities and letters/notices received by the Company during the financial year under various enactments as applicable to the company.

We further report that, subject to the above, the related documents that we have come across depict that:

The Board of Directors of the Company is constituted as applicable with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors and no changes took place in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that, based on our limited review there appear adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, as per the information provided to us, during the audit period, we came across a number of legal proceedings pending against the company including its erstwhile management and by the company.

We further report that, as per the information provided to us, during the audit period, 14,803 outstanding Global Depository Receipts (GDR's) were delisted from the Luxembourg Stock Exchange and London Stock Exchange.

We further report that, during the period, the Company has sought approval (other than Ordinary Business) from its members for:

1. Approval for related party transaction under Section 188 of the Companies Act, 2013 - Purchase of land and building from M/s. Dhanuka Laboratories Limited
2. Approval for related party transaction under Section 188 of the Companies Act, 2013 - Purchase of land and building from M/s. Synmedic Laboratories
3. Ratification of Remuneration to the Cost Auditor for the Financial year 2021-22
4. Approval for Borrowing Powers of the Company under Section 180(1)(c) of the Companies Act, 2013
5. Approval for creation of Charges/Mortgage properties of the Company under Section 180(1)(a) of the Companies Act, 2013
6. Approval to make Investments, give loans, guarantees and provide securities under Section 186 of the Companies Act, 2013
7. Approval for Material Related Party Transactions with M/s Otsuka Chemicals (India) Private Limited
8. Approval for Material Related Party Transaction with M/s OrBion Pharmaceuticals Private Limited under Section 188 of the Companies Act, 2013 and Regulation 23 of the Securities and Exchanges Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
9. Approval for material Related party transaction(s) with M/s Dhanuka Laboratories Limited ("Promoter Company")

We further report that, during the period, the promoter of the company M/s. Dhanuka Laboratories Limited has offered 32,80,115 equity shares for sale in accordance with SEBI regulations for the purpose of achieving the Minimum public shareholding requirement in accordance with Securities Contracts Regulation Rules,1957.

It was informed to us that, Business responsibility report link got missed out to be mentioned in Annual report for the year ended 31.3.2021.

We further report that, during the period, the company has proposed amalgamation of M/s. Dhanuka Laboratories Limited with M/s. Orchid Pharma Ltd and in this regard, the company has sought No Objection from Stock Exchanges in accordance with provisions of SEBI Listing Obligations and Disclosure regulations, 2016 which has been granted by the BSE Ltd and National Stock Exchange of India Limited on 30.03.2022 and 29.03.2022 respectively.

We further report that, we have conducted secretarial audit also through online verification and examination of records, as necessitated and facilitated by the company, due to prevailing Covid situation for the purpose of issuing this Report

We further report that, our Audit is subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliance by the Company and we are not responsible for any lapses in those compliances on the part of the Company.

For **S Dhanapal & Associates**

N.Ramanathan
(Partner)
FCS 6665
CP No. 11084
UDIN: F006665D000284437
Peer Review Certificate No. 1107/2021

Place: Chennai
Date: 12.05.2022

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

Annexure A

To
The Members
ORCHID PHARMA LIMITED,
(Formerly Known as Orchid Chemicals & Pharmaceuticals Limited)
Chennai

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

a. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

c. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company

d. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

e. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

f. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **S Dhanapal & Associates**

N.Ramanathan
(Partner)
FCS 6665
CP No. 11084
UDIN: F006665D000284437
Peer Review Certificate No. 1107/2021

Place: Chennai
Date: 12.05.2022

ANNEXURE-VII

FORM AOC-I

Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules,2014

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint ventures

Part "A": Subsidiaries

S. No.	Name of the subsidiary	Orchid Europe Limited, United Kingdom		Orchid Pharmaceuticals Inc., and Subsidiaries, USA		Bexel Pharmaceuticals Inc., USA		Orchid Pharmaceuticals SA (Propreitary) Limited South Africa		Diakron Pharmaceuticals Inc, USA	
1	Date since when the Subsidiary was acquired	17.09.1999		25.08.2005		13.10.2005		01.11.2006		28.07.2010	
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Apri '21 - March '22		April '21 - March '22		April '21 - March '22		March '21 - February"22		April '21 - March '22	
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	GBP 100.04		USD 76.09		USD 76.09		ZAR 5.21		USD 76.09	
		£	Rs in Lakhs	$	Rs in Lakhs	$	Rs in Lakhs	RAND	Rs in Lakhs	$	Rs in Lakhs
4	Share capital	10,000.00	1,000,400.00	100.00	7,609.00	35,895.27	2,731,271.09	303,638.00	1,581,953.98	0.00	0.00
5	Reserves & surplus	44,234.69	4,425,238.39	-5,213,501.00	-396,695,291.09	-213,050.52	-16,211,014.07	-303,638.00	-1,581,953.98	-3,822,115.55	-290,824,772.20
6	Total assets	587,276.49	58,751,139.77	2,155,216.00	163,990,385.44	5.00	380.45	0.00	0.00	3,228.45	245,652.76
7	Total Liabilities	587,276.49	58,751,139.77	2,155,216.00	163,990,385.44	5.00	380.45	0.00	0.00	3,228.45	245,652.76
8	Investments	-	–	–	–	–	–	0.00	0.00	0.00	0.00
9	Turnover	0.00	0.00	1,304,556.00	99,263,666.04	0.00	0.00	0.00	0.00	0.00	0.00
10	Profit before taxation	0.00	0.00	-544,608.00	-41,439,222.72	0.00	0.00	0.00	0.00	0.00	0.00
11	Provision for taxation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12	Profit after taxation	0.00	0.00	-544,608.00	-41,439,222.72	0.00	0.00	0.00	0.00	0.00	0.00
13	Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14	% of shareholding	100%		100%		100%		100%		76.65%	

1. Name of the subsidiaries which are yet to commence operations-NIL

2. Name of subsidiaries which have been liquidated or sold during the year-NIL

Note: Indian equivalent figures have been arrived at by applying the year end rate 1 £= 100.04, 1 South African Rand= 5.21 and 1US $= Rs. 76.09 and do not form of the reports of Orchid Europe Limited, Orchid Pharmaceuticals Inc., Bexel Pharmaceuticals Inc., Orchid Pharmaceuticals SA (Proprietary) Limited and Diakron Pharmaceuticals Inc.

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

	Name of Associates/Joint Ventures	OrBion Pharmaceuticals Private Limited
1	Date on which Associate or joint venture was associated/ acquired	14.06.2021
2	Latest audited Balance Sheet Date	Refer Note 1
3	Shares of Associate/Joint Ventures held by the company on the year end	
	No.	45,500,000
	Amount of Investment in Associates/Joint Venture	455,000,000
	Extend of Holding %	26%
4	Description of how there is significant influence	Associate
5	Reason why the associate/joint venture is not consolidated	Consolidated
6	Networth attributable to Shareholding as per latest audited Balance Sheet	419,773,358.49
7	Profit / Loss for the year	
	i. Considered in Consolidation (Loss)	-35,226,642
	ii. Not Considered in Consolidation	Nil

OrBion Pharmaceuticals Private Limited was incorporated on May 31,2021 & Unaudited financials have been considered for Consolidation

1. Names of associates or joint ventures which are yet to commence operations-Nil

2. Names of associates or joint ventures which have been liquidated or sold during the year-Nil

For and on behalf of the Board of Directors of
Orchid Pharma Limited

Manish Dhanuka
Managing Director
DIN: 00238798

Place: Gurugram
Date: June 14, 2022

Arun Kumar Dhanuka
Non Executive Director
DIN: 00627425

Place: Gurugram
Date: June 14, 2022

Sunil Gupta
Chief Financial Officer

Place: Gurugram
Date: June 14, 2022

Nikita K
Company Secretary

Place: Chennai
Date: June 14, 2022

Annexure VIII to the Board's Report

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis- **Not applicable**, all contracts or arrangements or transactions with related parties are at arm's length basis

2. Details of material contracts or arrangements or transactions at Arm's length basis:

SL. No.	Particulars	Details			
a)	Name (s) of the related party	**Dhanuka Laboratories Limited #**	**Synmedic Laboratories Limited**	**Otsuka Chemicals (India) Private Limited**	**OrBion Pharmaceuticals Private Limited**
b)	Nature of relationship	Holding Company	Firm in which Director and their relative are Partners	a private company in which: - Director of the Company/ his relative is a Director (common Directorship)/ Member	Associate Company A private company in which the Director of the Company holds Directorship (common Directorship)
c)	Nature of contracts/arrangements / transactions	Purchase of land	Purchase of land	Purchase of raw materials	Sale of business division of the Company
d)	Duration of the contracts/arrangements / transactions	On-going	On-going	April 2021-March 2022	April 2021-March 2022
e)	Salient terms of the contracts or arrangements or transactions including the value, if any	The related party transactions entered during the year were not in the ordinary course of business and was at arm's length basis. The consideration towards the purchase of aforesaid land and property is Rs.26.96 Crores (Plus taxes, stamp duty, registration fees and such other charges wherever applicable) of which Rs. 6.74 Crores has been remitted during the Financial year 2021-2022	The related party transactions entered during the year were not in the ordinary course of business and was at arm's length basis. The consideration towards the purchase of aforesaid land and property is Rs. 19.71 Crores (Plus taxes, stamp duty, registration fees and such other charges wherever applicable) of which Rs. 4.93 Crores has been remitted during the Financial year 2021-2022	The related party transactions entered during the year were in the ordinary course of business and at arm's length basis. Otsuka Chemical (India) Private Limited is the only approved source of the Key Raw Material GCLE for the Company. The aggregate amount of transactions entered into during the financial year ended March 31,2022 was Rs. 85.97 Crores	The related party transactions entered during the year were not in the ordinary course of business and was at arm's length basis. The aggregate amount of transactions entered into during the Financial year 2021-2022 Rs. 159.41 Crores.
f)	Date(s) of approval by the Board, if any	November 01,2021	November 01,2021	May 22,2021	May 22,2021
g)	Amount paid as advances, if any	Rs.6.74 Crores	Rs.4.93 Crores	Nil	Nil

#Approval from Members for obtaining loan (Material related party transaction) of Rs.50 Crores from Dhanuka Laboratories Limited was obtained at the Annual General Meeting held on August 13, 2021. However, no loan was availed during the Financial year 2021-2022.

For and on behalf of the Board of Directors of
Orchid Pharma Limited

Place: Gurugram
Date : June 14 , 2022

Manish Dhanuka
Managing Director
DIN: 00238798

Arun Kumar Dhanuka
Non Executive Director
DIN: 00627425

Annexure IX to the Board's Report

STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORTS WITH MODIFIED OPINION) SUBMITTED ALONG WITH ANNUAL AUDITED FINANCIAL RESULTS

STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS SUBMITTED FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022 – CONSOLIDATED BASIS [PURSUANT TO REGULATION 33 & 52 OF THE SEBI (LODR) (AMENDMENT) REGULATIONS, 2016]

I	SI.No	Particulars	Audited figures (as reported before adjusting for qualifications) (Rs. In Lakhs)	Audited figures (audited figures after adjusting for qualifications) (Rs. In Lakhs)
	1	Turnover /Total Income (including other income)	56,856.03	56,856.03
	2	Total Expenditure (Including finance cost and exceptional items)	56,908.85	56,908.85
	3	Net Profit / (Loss)	(52.82)	(52.82)
	4	Earnings per Share (In Rs.)	(0.48)	(0.48)
	5	Total Assets	1,11,056.25	1,11,056.25
	6	Total Liabilities	46,318.26	46,318.26
	7	Net worth	64,737.99	64,737.99
	8	Any Other Financial item(s) (as felt appropriate by the management)	-	-
II	Audit Qualification (Each audit qualification separately)			
1	(a)	**Details of Audit Qualification:**	The Consolidated Financial Statements for the year ended March 31, 2022 include the financial statements for the year ended March 31, 2022, of the following subsidiary companies: (i) Orchid Europe Limited, UK (ii) Orchid Pharmaceuticals Inc., USA (iii) Bexel Pharmaceuticals Inc., USA (iv) Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa (v) Diakron Pharmaceuticals, Inc. USA The consolidated financial results also include the results of M/s Orbion Pharmaceuticals Private Limited, an associate company accounted under equity method. We did not audit the financial statements of the above subsidiaries and associate that reflect total assets of Rs. 2.229.87 lakhs and net assets of (-) Rs.6,955.67 lakhs as at March 31, 2022, total revenue of Rs. 992.64 lakhs, total comprehensive Income (comprising of loss and other comprehensive income) of (-) Rs. 766.64 lakhs and net cash flows amounting to Rs. 291.29 lakhs for the year ended on that date, as considered in the consolidated financial statements. The financial statements of the subsidiaries and associate are unaudited and have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries and associate, is based solely on such unaudited financial statements. Accordingly, we do not express any opinion on the completeness and true and fair view of the financial statements, including adjustments, if any, required on the carrying amount of assets and liabilities of the above subsidiaries and associate and foreign currency translation reserve as at March 31, 2022 included in the Consolidated Financial Statements. This has also been qualified in our limited review reports of the earlier quarters and audit reports of earlier years.	

(b)	Type of Audit Qualification :	Qualified opinion
(c)	Frequency of Qualification :	Repetitive
(d)	For Audit Qualification(s) where the impact is quantified by the auditor, Management Views:	N.A.
(e)	For Audit Qualification(s) where the impact is not quantified by the auditor:	
(i)	Management's estimation on the impact of audit qualification:	N.A.
(ii)	If management is unable to estimate the impact, reason for the same	The subsidiaries of the Company are located in USA, UK and South Africa. Audit is not compulsory for companies in USA, if they are not publicly traded. The audit for the UK subsidiary is being done during fourth quarter of the Financial year and the subsidiary at South Africa does not have any operations. The cost of getting financials audited is also higher in USA. Hence the management has used unaudited financials for the purpose of consolidation. The associate is a new company and is in the process getting its accounted audited. To meet the timelines for reporting to stock exchanges, the Company used the unaudited accounts of the associate.
(iii)	Auditor's Comment on (i) or (ii) above:	Refer "Basis for Qualified Opinion" in audit report read with relevant notes in the financial results, the same is self-explanatory.

III Signatories

Sunil Gupta	Manish Dhanuka	Manoj Goyal
Chief Financial Officer	Managing Director DIN 00238798	Audit Committee Chairman

Place: Chennai

Date : May 12, 2022

Statutory Auditor

Refer our Independent Auditors' report dated May 12, 2022 on Consolidated Financial Results of the Company

For CNGSN & ASSOCIATES LLP

Chartered Accountants

Firm Registration No.004915S/S200036

(CHINNSAMY GANESAN)

Partner

Membership No.027501

Place : Chennai

Date : May 12, 2022

Statement on Impact of Audit Qualifications Submitted for the Financial Year ended March 31, 2022 – Standalone Basis

Sl.No	Particulars	Audited figures (audited figures after adjusting for qualifications) (Rs. In Lakhs)
1	Name of the Company	Orchid Pharma Limited
2	Annual Financial Statements for the year ended	March 31, 2022
3	Type of audit observation	Un modified & Unqualified opinion
4	Frequency of observation	NA

Signatories

Sunil Gupta	Manish Dhanuka	Manoj Goyal
Chief Financial Officer	Managing Director DIN 00238798	Audit Committee Chairman

Place: Chennai

Date : May 12, 2022

Statutory Auditor

Refer our Independent Auditors' report dated May 12, 2022 on Standalone Financial Results of the Company

For CNGSN & ASSOCIATES LLP

Chartered Accountants

Firm Registration No.004915S/S200036

(CHINNSAMY GANESAN)

Partner

Membership No.027501

Place : Chennai

Date : May 12, 2022

ANNEXURE –X
BUSINESS RESPONSIBILITY REPORT

This Business Responsibility Report ("BRR") for the financial year ended March 31, 2022 conforms to the Business Responsibility Reporting requirement pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which has mandated the inclusion of BRR as part of the Company's Annual Report for top 1000 listed entities based on market capitalisation (calculated as on March 31 of every financial year) and the National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business issued by Ministry of Corporate Affairs, Government of India.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	**Corporate Identity Number (CIN) of the Company**	L24222TN1992PLC022994
2	**Name of the Company**	Orchid Pharma Limited
3	**Registered address**	'Orchid Towers', 313, Valluvarkottam High Road, Nungambakkam, Chennai, TN – 600 034, IN
4	**Website**	www.orchidpharma.com
5	**E-mail id**	corporate@orchidpharma.com
6	**Financial Year reported**	2021-2022
7	**Sector(s) that the Company is engaged in (industrial activity code-wise)**	Manufacture of Pharmaceutical products NIC Code: 21001
8	**List three key products/services that the Company manufactures/provides (as in balance sheet)**	Cephalosporin API , Cephalosporin FDF and Non Penicillin Non Cephalosporin FDF
9	**Total number of locations where business activity is undertaken by the Company**	
(a)	**Number of International Locations (Provide details of major 5)**	The Company has seven subsidiaries (including two step down subsidiaries) located in United Kingdom, USA, South Africa and the United States.
(b)	**Number of National Locations**	The Company's manufacturing facility and the Registered and corporate office are located at Chennai.
10	**Markets served by the Company – Local/State/National/International**	India, Europe, Brazil , Asia, Turkey, Vietnam, Africa, USA

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	**Paid up Capital (INR)**	4,081.64 Lakhs
2	**Total Turnover (INR)**	55697.44 Lakhs
3	**Total profit after taxes (INR)**	(5277.04) Lakhs
4	**Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):**	Not Applicable
5	**List of activities in which expenditure in 4 above has been incurred**	Not Applicable

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?	Yes As on 31st March 2022, the Company has 7 subsidiaries, including two step down subsidiaries and all are located overseas.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	None of the subsidiary companies directly or indirectly, participate in Business Responsibility initiatives of the Company
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Other entities did not participate in the BR initiatives of the Company during the reporting period.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies	
DIN Number	00238798
Name	Mr. Manish Dhanuka
Designation	Managing Director

(b) Details of the BR head

Mr. Mridul Dhanuka, Whole Time Director oversees the Business Responsibility implementation. The Company has not appointed a Business Responsibility Head as of now.

No.	Particulars	Details
1	DIN Number (if applicable)	00199441
2	Name	Shri Mridul Dhanuka
3	Designation	Whole Time Director
4	Telephone number	044-2824 4355
5	e-mail id	Mridul @orchidpharma.com

Principle-wise (as per NVGs) BR Policy/policies

The NVGs on social, environmental and economic responsibilities of business prescribed by the Ministry of Corporate Affairs advocates the nine principles (detailed below) as P1-P9 to be followed:

P1- Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2- Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3- Businesses should promote the wellbeing of all employees.

P4- Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5- Businesses should respect and promote human rights.

P6- Business should respect, protect, and make efforts to restore the environment.

P7- Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8- Businesses should support inclusive growth and equitable development.

P9- Businesses should engage with and provide value to their customers and consumers in a responsible manner.

The principle wise responses are mentioned in the Annexure to this report

a. **Details of Compliance (Reply in Yes/No)**

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Business Ethics, Trans-parency and Account-ability	Product Life Cycle Sustain-ability	Employee Well being	Stake-holder Engage-ment	Human Rights	Environ-ment	Public Advocacy	Inclusive Growth and Equitable Develop-ment	Customer Value Creation
1	Do you have policy / policies for	Y	Y	Y	Y	Y	Y	NA	Y	Y
2	Has the policy been formulated in consultation with relevant stakeholders?	All the applicable policies have been formulated in consultation with the Management of the Company								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policies are in line with the applicable principles of the National Voluntary Guidelines issued by the Ministry of Corporate Affairs, Government of India								
4	Has the policy been approved by the Board? If yes, has it been signed by the MD / owner / CEO / appropriate Board Director?	The policy has been approved by the Board and signed by the Managing Director (P7 not applicable)								
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementa-tion of the policy	The Policies are implemented and being reviewed regularly by the respective business / unit head (P7 not applicable)								
6	Indicate the link to view the policy online?	Relevant policies are available on the Company's website and can be viewed at http://www.orchidpharma.com/invr_downloads.html								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies are communicated to key internal and external stakeholders and it is an ongoing process(P7 not applicable)								
8	Does the Company have in-house structure to implement its policy / policies?	Yes, the Company has necessary structure in place to implement the policies.								
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to policy / policies?	Yes, the Company has necessary grievance redressal mechanism, to address stakeholders' grievances related to the policies.								
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Yes the policies are evaluated internally								

b. **If answer to the question at serial number 1 against any principle, is 'No', please explain why: Not Applicable**

3. **Governance related to Business Responsibility a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the Business Responsibility performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:**

The Company's Business Responsibility performance is reviewed annually by the Board of Directors.

Does the Company publish a Business Responsibility or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Business Responsibility Report is applicable from the year 2021. The same is disclosed in the Annual report published annually and the link for viewing the same is http://orchidpharma.com/downloads/annualreports/BRR-2021-2022.pdf

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Company is committed to grow in a socially and environmentally responsible way, while meeting the interests of its major stakeholders. The Company has also implemented a Vigil Mechanism across the organisation to encourage reporting of unethical behaviour, actual or suspected fraud, unlawful or inappropriate activities and to act in accordance with the highest standards of integrity. The above mentioned Policy(ies) also extend to the Subsidiaries.

How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the financial year 2021-2022, the Company has received 163 complaints from the shareholders which have suitably been responded during the financial year.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

Sl.No.	Product	Power (Units/Kg)	Water (litres /Kg)
1	Cefuroxime acid	19	117
2	CRC Exdrier	53	200
3	Cefixime Exdrier	31	199

Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

The Company has implemented energy conservation initiatives in its manufacturing facilities (which benefited all the products manufactured at the facility, in terms of power Consumption/kg of API.

Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company's products do not have any broad based impact on energy and water consumption by consumers. However, the Company has taken several ongoing measures to reduce consumption of water and energy.

Optimizing power consumption in MPSR +40 cooling circuit by providing temperature based cut off for radiator fans, improving performance of PHE, providing controls for switching off chill water pumps based on plant requirement. This resulted in energy saving of 1667 units/day.

Study and stream lining of effluent streams under progress to reduce higher energy consumption in Ecology plant. On part of this TEE plant stoppage resulted in energy savings of 1900 units/ day. Apart from power savings, 7.7MT/Day of steam consumption reduction achieved by stopping TEE plant.

CT-13 pump and fan operational control established based on TEE plant stoppage resulted in energy savings of 562 units/ day.

Trial under progress for using renewable energy fuel Rice husk in Boiler to reduce coal consumption – Around 130MT of Rice husk used to reduce equivalent coal consumption of 87.5MT.

Improving insulation effectiveness has resulted in energy savings of 603 units per day in refrigeration system.

Eliminating loss of energy due to Compressed air & Nitrogen leaks done by conducting air audit across plant and arresting of leaks resulted in energy savings of 1374 units/day.

Does the Company have procedures in place for sustainable sourcing (including transportation)?

Yes, Our Company has procedures in place for Sustainable Sourcing including transportation.

Purchase Department Source the Manufacturers and organise Test Certificate.

If the same is in line with our specification then Organise fresh Samples from the Manufacturers.

The samples are tested in our labs.

Once the Vendor samples are approved, Vendor Qualifying documents are organised and forwarded to the QA department for further analysis.

Once the QA approves the documents, in case of Key Raw materials the Vendor facility is audited by team of QA & QC personal and subsequently a New Vendor for the Raw material is approved.

Once a Vendor is approved based on the Purchase SOP material is procured [PR, Enquiry, Negotiations then Placement of Orders]

Also the Procurement team ensure the transportation of materials. If the transportation is in our scope we explain the safety procedures to the transporters else the risk associated with Supply of raw materials, Safety precautions shall be mentioned in our PO which the Vendors needs to follow.

We insist for the Term Card, Emergency Contact Number and relevant Safety Data Sheet during Transportation of raw Materials.

Right now, the company factors only price and past performance while selecting our suppliers.

The following points are also considered towards sustainable sourcing.

1. We issue Soft copies of PO's in PDF Format I/O Manual Hard copies there by saving on Paper Printout's and Stationery.
2. We combine and procure by way of issuing Quarterly contracts there by save for the company as well reduce repeated ordering process.
3. By way of using the recovered and distilled Solvents we try to minimize fresh solvents Procurement.
4. With proper planning we engage single truck and bring clubbed material there by save on transportation Vs reduce in Carbon emission towards social responsibility.
5. We are also currently engaging in transportation of 25 Mts of Tankers I/O 16 Mts or 20 Mts while transporting from distant locations thereby reducing on the no of trips.

Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

Orchid Pharma Limited is a Pharmaceutical manufacturer catering to the world market. Most of the raw materials are difficult to make and hence not possible for the small and local companies to produce. However, we source those raw materials/packing materials available from local producers.

Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.

Yes. The Company has efficient Solvent Recovery facility consisting of thirty distillation column, also supported with extraction, washing, flashing facility. Impure Solvent/Mother liquor collected from API production, after recovery process about 95% of feed recycled back as pure/Recovered Solvent.

In solvent recovery facility, the solvent mixtures are separated from the mother liquor in distillation column of various types (atmospheric / vacuum). These distillation columns are being operated at different temperatures based on the boiling point of solvent mixtures. After distillation, the purified solvents are collected in a collection tank and it is being used in the production to minimize the requirement of fresh solvents.

The aqueous layer removed after the distillation is sent to the Effluent Treatment plant for further treatment. Solid wastes generated from the distillation process is collected and disposed suitably as per the authorization.

Solvent recovery process control is through DCS, PLC AND SCADA panel system, consisting of temperature, flow, pressure control with process and safety interlocks. Solvent storage tanks and systems are facilitated with nitrogen blanketing for safe operation.

Principle 3: Businesses should promote the well-being of all employees

Please indicate the total number of employees: The Company had 946 employees as at March 31, 2022

Please indicate the total number of employees hired on temporary / contractual / casual basis: Nil

Please indicate the number of permanent women employees: 31

Please indicate the number of permanent employees with disabilities: Nil

Do you have an employee association that is recognized by management: No

What percentage of your permanent employees are members of this recognised employee association? : Not applicable

Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

As a responsible corporate citizen, Orchid Pharma Limited neither have nor encourages any form of child labour, forced labour or bonded labour. The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the financial year 2021-2022 no companies relating to child labour, forced labour, involuntary labour, sexual harassment were received.

What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Employee training is a continuous process in the Company, and all the employees are given mandatory safety training at the time of joining. Further, skill-based training is imparted to 100% of the Company's employees on a continuous basis

Permanent employees: 9.7%

Permanent women employees: 38%

Casual/temporary/contractual employees: Nil

Employees with disabilities: NA

Principle 4: Stakeholders engagement

Has the Company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its key internal as well as external stakeholders

Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?

Yes.

Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so

The Company believes in greater engagement with its stakeholders and being sensitive towards their needs and expectations. The Company engages with its stakeholders on an ongoing basis. It is committed to the welfare of marginalized and vulnerable sections of the society and endeavours to meet the expectations of the said stakeholders.

Principle 5 – Human Rights

Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

The policy covers the employees of the Company and other stake holders.

How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No stakeholder complaints, relating to human rights, have been received in the past financial year.

Principle 6: Business should respect, protect, and make efforts to restore the environment

Does the policy related to Principle 6 cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others.

The Company is committed towards conservation of the environment and compliance with all requirements related to Environment, Health and Safety (EHS). The Company undertakes all its operations with a high concern and sincerity for environment and its surroundings as well as the safety and health of people. The policy covers all the operations of the Company and the same extends to subsidiaries of the Company, wherever applicable

Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y / N. If yes, please give hyperlink for webpage etc.

Energy conservation actions are being implemented and are also under progress to reduce carbon emission (global warming). Developing and maintaining greenery through tree plantation.

Does the Company identify and assess potential environmental risks?

Yes. We continually identify and assess potential environmental risks in our manufacturing process and the same is discussed during the Management Review Meeting.

Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The Company is committed to conserve energy at possible areas. Identification of possible areas and implementation of energy conservation is done through ENCON panel as a continuous process. Spent carbon generated from the process is being utilized as a fuel in our coal boiler. Environment Statement is filed annually to the state Pollution Control Board.

Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc., Y / N. If yes, please give hyperlink for web page, etc.

The Company has installed a Zero Liquid Discharge (ZLD) effluent treatment plant consisting of Primary treatment process, Biological treatment process, Ultra Filtration (UF), Reverse Osmosis (RO) process, Mechanical Evaporators (single stage & three stage) and Agitated Thin Film Dryers (ATFD) to treat and reuse the liquid trade effluent. Energy conservation actions are implemented and also under progress to reduce energy consumption. The Company has installed air pollution control equipment such as Process scrubbers, Vent Gas Condensation (VGC) system, Electrostatic Precipitator (ESP) with adequate stack height, Waste heat recovery boiler with adequate stack height to control emissions

Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported? Yes

Number of show cause or legal notices received from CPCB or SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year- Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.

The Company is a member of following Chambers and Associations: Madras Chamber of Commerce

Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)- No

Principle 8 – Businesses should support inclusive growth and equitable development

Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereto-No

Are the programmes/projects undertaken through in-house team/Foundation/external NGO/government structures/any other organization-Not Applicable

Have you done any impact assessment of your initiative? Not Applicable

What is your Company's direct contribution to community development projects–Amount in Rupees and the details of the projects undertaken

The Company was not required to undertake any CSR initiatives as the provisions of the Companies Act, 2013 relating to CSR are not attracted to the Company.

Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so -No

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

What percentage of customer complaints / consumer cases are pending as at the end of financial year?

There were no customer complaints received / consumer cases filed against the Company in the reporting period. There are no complaints or consumer cases pending as on the end of the financial year

Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)

Yes, the Company displays all product information on the product label, which is mandatory and as may be required for the use of the products by the consumers.

Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No, the Company shall never engage in any unfair trading practices, irresponsible advertising or anti-competitive behaviour. The Company has various checks and balances to ensure that the business of the Company is done in a fair and responsible manner.

Did your Company carry out any consumer survey/ consumer satisfaction trends?

The Company carries out the consumer satisfaction survey to measure the satisfaction among its consumers. A full-fledged Pharmacovigilance cell has been set up to track, review and act on any adverse event complaints. Post marketing surveillance is also carried out by the marketing team as well as with the help of medical professionals to track and monitor the efficacy and safety of the products.

For and on behalf of the Board of Directors of
Orchid Pharma Limited

Place: Gurugram
Date : June 14 , 2022

Manish Dhanuka
Managing Director
DIN: 00238798

Arun Kumar Dhanuka
Non Executive Director
DIN: 00627425

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Members of Orchid Pharma Limited

Report on the audit of the Standalone financial statements

Opinion

We have audited the standalone financial statements of Orchid Pharma Limited ("the Company"), which comprise the balance sheet as at March 31, 2022, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements, subject to our comments in the Basis for Opinion paragraph, give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended as on that date.

Basis for Opinion

We conducted our audit in accordance with the standards on auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

In our opinion and based on the information and explanations given to us, we have determined the matters described below to be the key audit matters to be communicated in our report:

Presentation and disclosure of additional information pursuant to the amendments to Schedule III to the Companies Act, 2013

With a view to facilitate enhanced disclosures and transparency in operations by companies in India, the Ministry of Corporate Affairs (MCA) has issued a batch of amendments to the Schedule III to the Companies Act, 2013 relating to presentation and disclosures in the financial statements. The Company has evaluated the requirements and made the relevant disclosures, including restatement of the disclosures made in the comparative period.

Principal Audit Procedures

- We assessed the Company's process to identify, assess, and respond to risks of material misstatement in the disclosure requirements pursuant to the aforesaid amendments to Schedule III to the Companies Act, 2013.
- As part of the evaluation of whether sufficient appropriate audit evidence has been obtained, we have evaluated the appropriateness of our initial risk assessments and revised previous risk assessments in for certain financial statement areas like claims and final settlement of financial and operating creditors, carrying amount of property, plant and equipment, capital work in progress, intangible assets comprising of, including related disclosure requirements under the Act and respective Indian Accounting Standards.
- We have designed, performed additional procedures, including verification of the source and completeness of data used by the management for making proper disclosures as required by the Act.
- We have considered the basis of management judgment

in making the disclosures taking into consideration the date of the financial statements, the facts and circumstances pertaining to the entity, and the conditions that existed at, or arose after, that date. We have considered all subsequent events and transactions to substantiate our conclusions on the appropriateness of management's disclosures in accordance with the requirements of the amendments.

- We have audited the management's estimates required in the standalone financial statements, including but not limited to estimates related to expected credit loss, fair value of various assets taken over and liabilities assumed, inventory obsolescence, impairment of non-financial assets etc. by checking the reasonableness of underlying assumptions in making those key estimates.
- We have carried out a detailed analysis of data and performed additional analytical procedures for validating the management's disclosures.

Emphasis of Matters

Without qualifying our opinion, we draw attention to the following matters

(a) Note 44 to the financial statements relating to relating to the fact that the Company has taken certain lands on lease for its operations in respect of which the lease agreement expired before the date of commencement of the Corporate Insolvency Resolution Process. We were informed that as part of the right to review the existing agreements, the Company has made a detailed assessment of the market rent for the property and the market value of the property for outright purchase. We were also informed that since the present rent as per erstwhile lease agreements is significantly high considering the market value of the property itself, the Company is in talks with the lessor for renewal of the lease with lower rent or for outright purchase of the property as part of the implementation of the resolution plan. However, no finality is reached on this matter as of date.

Pending completion of the negotiation and the uncertainties involved, the Company disputed the portion of the lease rent, considered to be excessive than the market rate as assessed by an independent valuer, amounting to INR 2,051.33 Lakhs upto March 31, 2022 in respect of the aforesaid lease. The same has been treated as contingent liabilities in the standalone financial statements of the Company.

Based on legal opinion obtained, the management is of the opinion that no liability will arise on completion of the negotiation; and

(b) Note 2 to the financial statements relating to "Estimation of uncertainties relating to the global health pandemic from COVID-19" which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management.

Information other than the standalone financial statements and auditors' report thereon

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the standalone financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the

Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

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

   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

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

   a. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 44 to the standalone financial statements;

   b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and

   c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   d. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts,

      I. no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities 'Intermediaries', with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company 'Ultimate Beneficiaries' or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

      ii. no funds have been received by the company from any person(s) or entity(ies), including foreign entities 'Funding Parties', with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party 'Ultimate Beneficiaries' or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

iii. Based on audit procedures carried out by us, that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

e. The Company has not declared or paid any dividends during the year and accordingly reporting on the compliance with section 123 of the Companies Act, 2013 is not applicable for the year under consideration.

For CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No. 004915S/ S200036

(**CHINNSAMY GANESAN**)
Partner
Membership No. 027501
UDIN: 22027501AIVWAR7832

Place: Chennai
Date: May 12, 2022

Annexure "A" to the Independent Auditors' Report on Standalone Financial Statements

(Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report to the Members of Orchid Pharma Limited of even date)

1. (a) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment and intangible assets.

   (b) The Company has a program of verification to cover all the items of property, plant and equipment in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.

   Pursuant to the program, certain property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

   In respect of immovable properties pledged as security for borrowings, the Company is in the process of obtaining confirmation of title deeds deposited with the lenders. Accordingly, we are unable to express our comment on those items of immovable properties.

   (d) The Company has not revalued its property, plant and equipment or intangible assets during the financial year ended March 31, 2022. Accordingly, paragraph 3 (i)(d) of the Order is not applicable.

   (e) In our opinion and according to the information and explanations given to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, paragraph 3 (i)(e) of the Order is not applicable.

2. (a) The inventory has been physically verified by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification

   (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the Company with the banks or financial institutions are in agreement with the books of account, except in the following cases:

Quarter ended	As per financials (Rs. Lakhs)	As per returns filed with banks (Rs. Lakhs)	Difference (Rs. Lakhs)	Reasons
June 30, 2021	Not submitted to Bank as there is no working capital limit during Q1			
Quarter ended	As per financials (Rs. Lakhs)	As per returns filed with banks (Rs. Lakhs)	Difference (Rs. Lakhs)	Reasons
Sep 30, 2021				
Inventories	18,644.90	18,848.69	(203.79)	The difference is mainly due to estimate of overhead rate considered while valuing WIP and FG in October 2021 for bank purposes and the actual overhead rate determined after proper closure of accounts in November. Further, the R&D Stock of INR 1.29 Cr is not considered for submission to the bank.

Dec 31, 2021				
Inventories	17,665.14	17,452.51	212.63	The difference is mainly due to estimate of overhead rate considered while valuing WIP and FG in January 2022 for bank purposes and the actual overhead rate determined after proper closure of accounts in February, 2022. Further, the R&D stock of INR 1.18 Cr is not considered for submission to the bank.
March 31, 2022				
Inventories	17,265.63	16,409.97	855.66	The difference is mainly due to estimate of overhead rate considered while valuing WIP and FG in April, 2022 for bank purposes and the actual overhead rate determined after proper closure of accounts in May, 2022. Further, the R&D stock of INR 1.18 Cr and the provision made for non-moving stock amounting to INR 0.54 Cr are not considered for submission to the bank.

3. In our opinion and according to information and explanation given to us, the company has made investments in the equity shares of an associate company aggregating INR 4,550 Lakhs during the year.

   In our opinion and according to information and explanation given to us, the company has not provided any guarantee or security/ granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties. The loans given to subsidiaries and other parties during the pre-CIRP period have been fully provided for. Accordingly, the other clauses of paragraph 3 (iii) of the Order are not applicable.

4. In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security to which the provision of section 185 of the Companies Act are applicable. The loans given to subsidiaries and other parties during the pre-CIRP period have been fully provided for.

   In respect of investments made by the Company and loans given to parties other than those covered in Section 185 of the Act, the Company had complied with the provisions of section 186 of the Companies Act, 2013.

5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2022 and accordingly, paragraph 3(v) of the Order is not applicable.

6. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the same.

7. According to the information and explanations given to us and based on our examination of the relevant records:

   (a) Amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited by the Company with the appropriate authorities.

   (b) No undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us and as confirmed by the Resolution Professional (RP) and the Successful Resolution Applicant, in view of the implementation of the resolution plan as approved by the Hon'ble National Company Law Tribunal (based on the order of the Hon'ble Supreme Court of India), except to the extent of payment to the stakeholders as per the approved Resolution Plan, the Company shall have no liability with respect to any claims relating in any manner to the period prior to "the effective date" i.e. pre-Corporate Insolvency Resolution Process period (pre-CIRP period). We were informed that to the extent of claims raised (pertaining to the pre-CIRP period) by various statutory authorities and approved by the RP have been fully paid as part of the approved resolution plan. Accordingly, all other pending litigations relating to pre-CIRP period are deemed to be extinguished as at March 31, 2020, i.e., the date of implementation of the approved resolution plan. Accordingly, there are no dues of income tax, sales tax, service tax, excise duty, value added tax and goods and service tax which have not been deposited as at March 31, 2022 on account of dispute.

8. In our opinion and according to the information and explanations given to us, there are no transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 and accordingly, paragraph 3 (viii) of the Order is not applicable.

9. (a) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

   (b) In our opinion and according to the information and explanations given to us, the Company is not declared as a wilful defaulter by any bank or financial institution or other lender.

   (c) In our opinion and according to the information and explanations given to us, the term loans obtained during the year were applied for the purpose for which they were availed.

   (d) In our opinion and according to the information and explanations given to us, funds raised on short term basis have not been utilised for long term purposes.

   (e) In our opinion and according to the information and explanations given to us, there are no loans or advances and guarantees or security to subsidiaries, joint ventures and associates have been given during the year. The loans given to subsidiaries and other parties during the pre-CIRP period have been fully provided for.

10. (a) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable.

    (b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3 (x) (b) of the Order is not applicable.

11. (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by any person has been noticed or reported during the year. Accordingly, paragraphs 3 (xi) (a) and (b) of the Order are not applicable.

    (b) To the best of our knowledge and according to the information and explanations given to us, no whistle-blower complaints have been received by the Company during the year.

12. The Company is not a Nidhi Company and accordingly, Paragraphs 3 (xii) of the Order is not applicable.

13. In our opinion and according to the information and explanations given to us, the transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

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

    (b) The reports of the internal auditors for the year under audit were considered by us, as part of our audit procedures.

15. In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

16. (a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

    (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

    (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3 (xvi) (c) of the Order is not applicable.

    (d) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) and it does not have any other companies in the Group. Accordingly, paragraph 3 (xvi) (d) of the Order is not applicable.

17. The Company has not incurred cash losses in the financial year and incurred cash losses of INR 825.46 Lakhs in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3 (xviii) of the Order is not applicable.

19. In our opinion and according to the information and explanations given to us and on the basis of the financial ratios disclosed in note 51 (i) to the standalone financial statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the board of directors and management plans, there are no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

20. In our opinion and according to the information and explanations given to us, the provisions of section 135 of the Act are not applicable to the Company during the year. Accordingly, paragraph 3 (xx) of the Order is not applicable.

21. In our opinion and according to the information and explanations given to us, the financial statements of the subsidiaries and associates included in the consolidated financial statements are unaudited and as prepared by the management. Accordingly, paragraph 3(xxi) of the Order is not applicable.

For CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

(CHINNSAMY GANESAN)
Partner
Membership No. 027501
UDIN: 22027501AIVWAR7832

Place: Chennai
Date: May 12 ,2022

Annexure "B" to the Independent Auditor's Report on Standalone Financial Statements

(Referred to in paragraph 2 (f) under 'Report on other Legal and Regulatory Requirements' section of our report to the Members of Orchid Pharma Limited of even date)

We have audited the internal financial controls over financial reporting of Orchid Pharma Limited ("the Company") as at March 31, 2022, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

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

Auditors' responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent limitations of internal financial controls over financial reporting

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

Opinion

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **CNGSN & ASSOCIATES LLP**
Chartered Accountants
Firm Registration No.004915S/ S200036

(CHINNSAMY GANESAN)
Partner
Membership No. 027501
UDIN: 22027501AIVWAR7832

Place: Chennai
Date: May 12, 2022

OrchidPharma
— A Dhanuka Group Company —

Standalone Balance Sheet as at March 31, 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

₹ in Lakhs

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	58,331.59	67,001.85
Intangible assets	4	33.73	36.86
Capital work in progress	5	978.42	743.06
Financial assets			
Investments	6	4,901.35	40.44
Other financial assets	7	476.05	399.72
Other non current assets	8	1,166.94	-
Total non-current assets		**65,888.08**	**68,221.93**
Current assets			
Inventories	9	17,265.63	15,056.57
Financial assets			
Investments	10	-	1,502.08
Trade receivables	11	16,022.73	13,196.12
Cash and cash equivalents	12	45.02	1,475.04
Bank balances other than above	13	375.64	421.78
Loans	14	-	-
Other financial assets	15	0.14	7.07
Current tax assets (net)	16	5,255.39	5,445.99
Non current assets held for sale and disposal groups	17	1,328.97	12,085.19
Other current assets	18	3,237.35	5,035.09
Total current assets		**43,530.87**	**54,224.93**
Total Assets		**1,09,418.95**	**1,22,446.86**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	4,081.64	4,081.64
Other equity	20	63,713.62	64,052.04
Total equity		**67,795.26**	**68,133.68**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	21	20,816.52	42,749.74
Provisions	22	1,101.29	1,153.89
Deferred Tax Liability (Net)	23	322.62	322.62
Total non-current liabilities		**22,240.43**	**44,226.25**

Standalone Balance Sheet as at March 31, 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

₹ in Lakhs

	Notes	As at March 31, 2022	As at March 31, 2021
Current liabilities			
Financial liabilities			
Borrowings	24	5,978.84	2,524.26
Trade payables	25	12,073.73	6,873.99
Short term provisions	26	300.71	352.44
Other current liabilities	27	1,029.98	336.24
Total current liabilities		19,383.26	10,086.93
Total Liabilities		**41,623.69**	**54,313.18**
Total Equity and Liabilities		**1,09,418.95**	**1,22,446.86**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For CNGSN & Associates LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

Chinnsamy Ganesan
Partner
Membership No.027501

Place : Chennai
Date: May 12, 2022

For and on behalf of the board

Manish Dhanuka
Managing Director
DIN: 00238798

Arun Kumar Dhanuka
Non Executive Director
DIN: 00627425

Sunil Gupta
Chief Financial Officer
Place : Gurgaon
Date: May 12, 2022

K Nikita
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

₹ in Lakhs

		Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Continuing Operations				
A	**Income**			
	Revenue from operations	28	55,697.44	45,069.50
	Other income	29	900.29	646.11
	Total income		**56,597.73**	**45,715.61**
B	**Expenses**			
	Cost of materials consumed	30	33,679.89	24,496.08
	Changes in inventories of finished goods and WIP	31	(2,272.56)	(1,568.79)
	Employee Benefits Expense	32	6,020.60	6,439.88
	Depreciation and amortisation expense	33	8,702.08	10,889.87
	Finance costs	34	3,201.17	5,133.56
	Other expenses	35	12,543.59	9,912.23
	Total expenses		**61,874.77**	**55,302.83**
C	**Loss before exceptional items and tax**		**(5,277.04)**	**(9,587.22)**
	Exceptional items - Income / (Expenses)		-	
D	**Loss before tax from continuing operations**		(5,277.04)	(9,587.22)
	Income tax expense			
	Current tax		-	-
	Deferred tax charge/ (credit)		-	-
	Loss after tax from continuing operations		**(5,277.04)**	**(9,587.22)**
Discontinuing Operations				
E	**Profit / (Loss) for the year from discontinued operations**		**4,796.32**	**(2,128.11)**
	Tax expense of discontinued operations		**-**	**-**
	Profit / (Loss) from discontinued operations after tax		**4,796.32**	**(2,128.11)**
F	**Loss for the year**		**(480.72)**	**(11,715.33)**

Statement of Profit and Loss for the year ended March 31, 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

₹ in Lakhs

		Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
G	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss		-	-
	Remeasurement of post employment benefit obligations		146.39	59.85
	Gain/ (Loss) on fair valuation of investments		(4.09)	6.62
	Income tax (charge)/ credit relating to these items		-	-
	Other comprehensive income for the year, net of tax		**142.30**	**66.47**
Total comprehensive loss for the year			**338.42**	**(11,648.86)**
Earnings per share		37		
Basic earnings per share			(1.18)	(28.70)
Diluted earnings per share			(1.18)	(28.70)

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For CNGSN & Associates LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

Chinnsamy Ganesan
Partner
Membership No.027501

Place : Chennai
Date: May 12, 2022

For and on behalf of the board

Manish Dhanuka
Managing Director
DIN: 00238798

Arun Kumar Dhanuka
Non Executive Director
DIN: 00627425

Sunil Gupta
Chief Financial Officer
Place : Gurgaon
Date: May 12, 2022

K Nikita
Company Secretary

Statement of Cash Flows for the year ended March 31, 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

₹ in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash Flow From Operating Activities		
Profit/ (loss) before income tax	(480.72)	(11,715.33)
Adjustments for		
Depreciation and amortisation expense of continuing operations	8,702.08	10,889.87
Depreciation and amortisation expense of discontinuing operations	-	756.54
(Profit)/ loss on sale of fixed assets (net)	(0.04)	6.50
Profit on sale of Non current assets held for sale included in discontinuing operations	(8,866.86)	-
Interest income	(41.88)	(73.26)
Forex (Gain)/ Loss Unrealised	513.97	(282.84)
Allowance for expected credit loss	366.73	132.80
Finance costs	3,201.17	5,133.56
Fair valuation (Gain)/ Loss on investments	-	(90.10)
(Profit) / loss on sale of investments	(51.24)	(104.08)
	3,343.21	4,653.66
Change in operating assets and liabilities		
(Increase)/ decrease in Other financial assets	2.40	(326.82)
(Increase)/ decrease in Inventories	21.73	(3,209.26)
(Increase)/ decrease in Trade Receivables	(1,630.87)	(7,475.32)
(Increase)/ decrease in Other assets	2,597.48	6,744.41
Increase/ (decrease) in Provisions and other liabilities	650.36	(305.49)
Increase/ (decrease) in Trade payables	4,162.95	1,862.84
Cash generated from operations	9,147.26	1,944.02
Less : Income taxes paid/ (refund received)	(190.60)	492.28
Net cash from operating activities (A)	**8,956.66**	**2,436.30**
Cash Flows From Investing Activities		
Purchase of Property, plant and equipment (including changes in CWIP)	(1,440.30)	(60.40)
Sale proceeds of Property, plant and equipment	9.35	28.64
Net Sale proceeds of IKKT Undertaking	15,940.81	-
(Purchase)/ disposal proceeds of Investments (net)	1,238.32	(1,307.90)
Investment in equity share of associate companies	(4,550.00)	-
(Investments in)/ Maturity of fixed deposits with banks	46.14	7,993.10
Interest received	48.81	67.07
Net cash used in investing activities (B)	**11,293.13**	**6,720.51**

Statement of Cash Flows for the year ended March 31, 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

₹ in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash Flows From Financing Activities		
Proceeds from Short term Borrowings (net)	1,999.88	-
Repayment of Long term Borrowings (net)	(20,478.52)	(12,508.00)
Finance costs	(3,201.17)	(3,990.87)
Net cash from/ (used in) financing activities (C)	**(21,679.81)**	**(16,498.87)**
Net increase/decrease in cash and cash equivalents (A+B+C)	**(1,430.02)**	**(7,342.06)**
Cash and cash equivalents at the beginning of the financial year	1,475.04	8,817.10
Cash and cash equivalents at end of the year	45.02	1,475.04
Notes:		
1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".		
2. Components of cash and cash equivalents		
Balances with banks		
- in current accounts	41.56	300.68
- in fixed deposit with original maturity of less than 3 months	-	1,170.00
Cash on hand	3.46	4.36
	45.02	**1,475.04**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For CNGSN & Associates LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

Chinnsamy Ganesan
Partner
Membership No.027501

Place : Chennai
Date: May 12, 2022

For and on behalf of the board

Manish Dhanuka
Managing Director
DIN: 00238798

Arun Kumar Dhanuka
Non Executive Director
DIN: 00627425

Sunil Gupta
Chief Financial Officer
Place : Gurgaon
Date: May 12, 2022

K Nikita
Company Secretary

Statement of Changes in Equity for the year ended March 31, 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(A) Equity Share Capital

Balance at the end of April 1, 2020	**4,081.64**
Changes in equity share capital due to prior period errors	-
Changes in equity share capital during the year	-
Balance at the end of March 31, 2021	**4,081.64**
Changes in equity share capital due to prior period errors	
Changes in equity share capital during the year	-
Balance at the end of March 31, 2022	**4,081.64**

(B) Other Equity

Particulars	Capital Reserve	Capital Reserve on Amalgama-tion	Securities Premium Reserve	Equity component of Optionally convertible debentures	General Reserve	Other Compre-hensive Income	Retained Earnings	Total
Balance as at April 1, 2020	**5,105.69**	**1,63,125.58**	**46,447.86**	**6,856.06**	**55,851.90**	**(12.22)**	**(2,01,673.97)**	**75,700.90**
Total Comprehensive Income for the year	-	-	-	-	-	66.47	(11,715.33)	(11,648.86)
Changes due to prior period errors	-	-	-	-	-	-	-	-
Additions/ (deductions) during the year	-	-	-	-	-	(59.85)	59.85	-
Balance as at March 31, 2021	**5,105.69**	**1,63,125.58**	**46,447.86**	**6,856.06**	**55,851.90**	**(5.60)**	**(2,13,329.45)**	**64,052.04**
Total Comprehensive Income for the year	-	-	-	-	-	142.30	(480.72)	(338.42)
Changes due to prior period errors	-	-	-	-	-	-	-	-
Additions/ (deductions) during the year	-	-	-	-	-	(146.39)	146.39	-
Balance as at March 31, 2022	**5,105.69**	**1,63,125.58**	**46,447.86**	**6,856.06**	**55,851.90**	**(9.69)**	**(2,13,663.78)**	**63,713.62**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For CNGSN & Associates LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

Chinnsamy Ganesan
Partner
Membership No.027501

Place : Chennai
Date: May 12, 2022

For and on behalf of the board

Manish Dhanuka
Managing Director
DIN: 00238798

Arun Kumar Dhanuka
Non Executive Director
DIN: 00627425

Sunil Gupta
Chief Financial Officer
Place : Gurgaon
Date: May 12, 2022

K Nikita
Company Secretary

1 Corporate Information

Orchid Pharma Ltd., is one of the leading pharmaceutical companies in India head quartered in Chennai and involved in the development, manufacture and marketing of diverse bulk actives, formulations and nutraceuticals with exports spanning over 40 countries. Orchid's world class manufacturing infrastructure include USFDA compliant API and Finished Dosage Form facilities at Chennai in India. Orchid has dedicated state-of-art and GLP compliant R&D infrastructure for Process research, Drug Discovery and Pharmaceutical research at Chennai, India. Orchid has ISO 14001 and OHSAS 18001 certifications. Orchid's Equity shares are listed on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE) in India.

"According to the Resolution Plan approved by the Hon'ble National Company Law Tribunal (NCLT) has, by its order dated June 27, 2019 and the order of the Hon'ble Supreme Court vide its order dated February 28, 2020, Dhanuka Laboratories Limited (DLL), the successful Resolution Applicant, implemented the resolution plan on March 31, 2020. DLL infused the funds as per the terms of the resolution plan through a special purpose vehicle, Dhanuka Pharmaceuticals Private Limited. The special purpose vehicle was later on merged with the Company as per the terms of the approved resolution plan. Thus the Company became a subsidiary of M/s Dhanuka Laboratories Limited with effect from March 31, 2020."

2 Basis of preparation of financial statements

Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended from time to time.

Basis of preparation and presentation

"Pursuant to the order of the Hon'ble NCLT, the approved Resolution Plan was implemented during March 2020 and the Board of Directors of the Company was reconstituted on March 31, 2020 based on the nominations from the Resolution Applicant. DLL has also infused the amounts in the Company and settled all the financial and operating creditors of the Company as per the terms of the approved Resolution Plan. In view of the implementation of the Resolution Plan, the financial statements have been prepared and presented by the Company on a going concern basis."

Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The Company continues to evaluate them as highly probable considering the orders in hand. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of the financial results. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Functional and presentation currency

"These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals).

The financial statements are approved for issue by the Board of Directors on May 12, 2022."

2A Critical accounting estimates and management judgments

In application of the accounting policies, which are described in note 3, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Property, Plant and Equipment (PPE) and Intangible Assets

The residual values and estimated useful life of PPEs and

Notes to Financial Statements for the year ended March 31, 2022

Intangible Assets are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred Tax Assets

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained/ recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment of Trade Receivables

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

Impairment of Non-financial assets (PPE)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined Benefit Plans and Other long term employee benefits

The cost of the defined benefit plan and other long term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

2B Recent accounting pronouncements

Amendments to Ind AS 116 - Leases

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. The relief was originally limited to reduction in lease payments that were due on or before June 30, 2021. However, it was subsequently extended to June 30, 2022.

New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 1, 2022.

Ind AS 16, Property, Plant and Equipment

The amendment clarifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

The amendment explains that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

Ind AS 103, Business combinations

The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

Ind AS 109, Financial Instruments

The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

Ind AS 41, Agriculture

The amendment removes the requirement in Ind AS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113, Fair Value Measurement.

The company has evaluated the above amendments and concluded that they will have no significant impact on the Company on a go forward basis.

3 Significant Accounting Policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle

ii) Held primarily for the purpose of trading

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

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

All other assets are classified as non-current.

A liability is current when:

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

ii) It is held primarily for the purpose of trading

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

iv) There is no unconditional right to 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 liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 12 months as its operating cycle for the purpose of classification of its assets and liabilities as current and non-current.

b) Fair value measurement

The Company has applied the fair value measurement wherever necessitated at each reporting period.

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 the asset or liability;

ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non - financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

c) Revenue Recognition

Sale of goods

"Revenue is recognised when the company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when the customer obtains control of that asset., which generally coincides with the despatch of the goods or as per the inco-terms agreed with the customers."

Revenue is measured at the transaction price received or receivable, taking into account contractually defined terms of payment. It comprises of invoice value of goods after deducting discounts, volume rebates and applicable taxes on sale. It also excludes value of self-consumption.

Significant financing component

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised goods or services to the customer and when the customer pays for that goods or services will be one year or less.

Export entitlements

In respect of the exports made by the Company, the related export entitlements from Government authorities are recognised in the statement of profit and loss when the right to receive the incentives/ entitlements as per the terms of the scheme is established and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Interest Income

Interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend income

Dividend income is recognized when the company’s right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

d) Property, plant and equipment and capital work in progress

Presentation

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under long term loans and advances and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

Component Cost

All material/ significant components have been identified and have been accounted separately. The useful life of such component are analysed independently and wherever components are having different useful life other than plant they are part of, useful life of components are considered for calculation of depreciation.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Machinery spares/ insurance spares that can be issued only in connection with an item of fixed assets and their issue is expected to be irregular are capitalised. Replacement of such spares is charged to revenue. Other spares are charged as revenue expenditure as and when consumed.

Derecognition

Gains or losses arising from derecognition of property, plant and equipment 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 asset is derecognized.

e) Depreciation on property, plant and equipment

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value.

Depreciation is provided on straight line method, over the useful lives specified in Schedule II to the Companies Act, 2013, except in respect of certain assets, where useful life estimated based on internal assessment and/or independent technical evaluation carried out by external valuer, past trends and differs from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/ sold. Additions to fixed assets, costing Rs.5000 each or less are fully depreciated retaining its residual value.

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

f) Intangible assets

"Intangible assets acquired separately are measured on initial recognition at cost. The cost of a separately acquired intangible asset comprises (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and (b) any directly attributable cost of preparing the asset for its intended use.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. "

Drug Master Files ("DMF") and Abbreviated New Drug Applications ("ANDA") costs represent expenses incurred on development of processes and compliance with regulatory procedures of the US FDA, in filing DMF and ANDA, in respect of products for which commercial value has been established by virtue of third party agreements/ arrangements.

Useful life and amortisation of intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. 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. The cost of each DMF/ ANDA (self generated intangible assets) is amortised to the extent of recovery of developmental costs applicable as per terms of the agreement or over a period of 5 years from the date on which the product covered by DMF/ ANDA is commercially marketed, whichever is earlier.

Subsequent cost and measurement

Subsequent costs are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally-generated intangibles, are recognised in the statement of profit and loss as incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

g) Inventories

"Inventories are carried at the lower of cost or net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition, cost being determined based on weighted average method.In respect of work-in-progress, intermediaries and finished goods, cost also includes the variable and fixed overhead incurred for bringing the inventory to present location and conditions."

Net realisable value is the estimated selling price in the ordinary

Notes to Financial Statements for the year ended March 31, 2022

course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

h) Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. However, 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 are also added to the cost of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

Financial assets are classified into the following categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

The Company classifies a debt instrument as at amortised cost, if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

The Company classifies a debt instrument at FVTOCI, if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes finance income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

The Company classifies all debt instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

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

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of classifying the equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in OCI, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

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

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents SPPI, are measured as detailed below depending on the business model:

Classification	Name of the financial asset
Amortised cost	Trade receivables, Loans given to employees and others, deposits, interest receivable and other advances recoverable in cash.
FVTOCI	Equity investments in companies other than subsidiaries and associates if an option exercised at the time of initial recognition.
FVTPL	Other investments in equity instruments

Derecognition

A financial asset is primarily derecognised when:

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

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

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

Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, receivables and bank balance.

b) Financial assets that are debt instruments and are measured at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 "Revenue from contract with Customers"

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116 "Leases"

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a 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 entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL 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 profit and loss. The balance sheet presentation of ECL for various financial instruments is described below:

- **Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:** ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- **Debt instruments measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

  For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant

Notes to Financial Statements for the year ended March 31, 2022

increases in credit risk to be identified on a timely basis.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done on the following basis:

Name of the financial asset	Impairment Testing Methodology
Trade Receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a 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 entity reverts to recognising impairment loss allowance based on 12 month ECL.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

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

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Classification	Name of the financial liability
Amortised cost	Borrowings, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits and other financial liabilities not for trading.
FVTPL	Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

Loans and borrowings

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

Financial guarantee contracts

"A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at higher of (i) The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 ""Financial Instruments"" and (ii) The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115 ""Revenue from contract with Customers""."

Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Derecognition of financial liabilities

A financial liability is derecognised 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 modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

S. No	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
2	FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
3	Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
4	FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
5	FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
6	FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Financial 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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

i) Foreign currency transactions and translations

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date at which the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or 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. The gain or loss arising on translation of non-monetary items measured at fair value 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 recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The Company enters into forward exchange contract to hedge its risk associated with foreign currency fluctuations. The premium or discount arising at the inception of a forward exchange contract is amortized as expense or income over the life of the contract. In case of monetary items which are covered by forward exchange contract, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference. Any profit or loss arising on cancellation of a forward exchange contract is recognized as income or expense for that year.

j) Borrowing Costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

"Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur."

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

k) Government grants

Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.

In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other operating revenue" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets". Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets".

Government grants related to assets, including non-monetary grants at fair value, shall be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset.

l) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. 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.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified period. The Company reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred 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. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

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 assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

m) Retirement and other employee benefits

Short-term employee benefits

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined 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.

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Other long term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

n) Leases

The Company has adopted Ind AS 116 "Leases" as notified by MCA as on March 30, 2019. The MCA via this notification requires all entities to apply Ind AS 116 from Accounting period April 01, 2019. The entity has elected the "modified retrospective" approach for adopting Ind AS 116 and hence the comparative information relating to prior years will not be restated.

The Company has elected not to apply the requirements of Ind

Notes to Financial Statements for the year ended March 31, 2022

AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

a) Initial measurement

Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid. Right-of-use asset is recognized and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of restoration costs and any initial direct costs incurred by the lessee.

b) Subsequent measurement

The lease liability is measured in subsequent periods using the effective interest rate method. Right-of-use asset is depreciated in accordance with requirements in Ind AS 16, Property, Plant and equipment. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. However, Ind AS 116 provides the lessee with the option to recognise a low value asset or a short term lease (12 months of lesser) as an expense in the statement of profit and loss on a straight-line basis or any other systematic approach as adopted by the entity.

o) Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When 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.

p) Provisions, contingent liabilities and contingent asset

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and 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.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made, if realisation of money is doubtful in the judgement of the management.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately. Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

Contingent assets

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect. Contingent assets are disclosed but not recognised in the financial statements.

q) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

r) Cash Flow Statement

Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

s) Non current assets held for sale and disposal groups

"The Company classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Immediately before the initial classification of the asset (or disposal group) as held for sale, the carrying amounts of the asset (or all the assets and liabilities in the group) shall be measured in accordance with applicable Ind ASs.

The Company measures a non-current asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less costs to sell. The Company does not depreciate (or amortise) a non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale shall continue to be recognised."

t) Earnings per share

"The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate."

Notes to Financial Statements for the year ended March 31, 2022

(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

4 Property, Plant and Equipment

₹ in Lakhs

Particulars	Tangible Assets										Intangible Assets		Total
	Freehold Land & Site Development	Leasehold Land	Buildings	Plant and Machinery	Furniture and Fittings	Vehicles	Office Equipment	Factory Equipment	Laboratory Equipment	Total	Internally generated DMF and ANDA	Comput er Software	
Cost as at April 1, 2020	**2,536.65**	**52.83**	**16,781.22**	**100,977.46**	**248.04**	**11.89**	**1.53**	**387.21**	**1,478.75**	**122,475.58**	**2,158.16**	**63.96**	**2,222.12**
Additions	-	-	-	338.40	-	-	1.27	24.96	1.18	365.81	-	25.20	25.20
Disposals	-	-	-	(1.14)	-	(1.87)	(1.19)	(0.39)	(0.64)	(5.23)	-	(29.90)	(29.90)
Classified as non current assets held for sale	(1,308.53)	(52.22)	(2,388.51)	(2,268.69)	(28.95)	-	(0.02)	(85.02)	(174.26)	(6,306.20)	(1,145.24)	(5.20)	(1,150.44)
Cost as at March 31, 2021	**1,228.12**	**0.61**	**14,392.71**	**99,046.03**	**219.09**	**10.02**	**1.59**	**326.76**	**1,305.03**	**116,529.96**	**1,012.92**	**54.06**	**1,066.98**
Additions	-	-	-	38.00	-	-	-	-	-	38.00	-	-	-
Disposals	-	-	-	(9.28)	-	(0.03)	-	-	-	(9.31)	-	-	-
Cost as at March 31, 2022	**1,228.12**	**0.61**	**14,392.71**	**99,074.75**	**219.09**	**9.99**	**1.59**	**326.76**	**1,305.03**	**116,558.65**	**1,012.92**	**54.06**	**1,066.98**
Depreciation/ Amortisation													
As at April 1, 2020	**-**	**0.61**	**2,333.04**	**34,691.05**	**139.50**	**3.69**	**1.53**	**86.58**	**856.94**	**38,112.94**	**784.86**	**14.02**	**798.88**
Charge for the year	-	-	793.73	10,421.68	24.46	-	0.05	38.57	136.68	11,415.17	228.06	3.18	231.24
Disposals		-	-							-			-
As at March 31, 2021	**-**	**0.61**	**3,126.77**	**45,112.73**	**163.96**	**3.69**	**1.58**	**125.15**	**993.62**	**49,528.11**	**1,012.92**	**17.20**	**1,030.12**
Charge for the year	-	-	711.36	7,938.92	2.71	-	-	18.14	27.82	8,698.95	-	3.13	3.13
Disposals	-	-	-		-	-	-	-	-	-	-	-	-
As at March 31, 2022	**-**	**0.61**	**3,838.13**	**53,051.65**	**166.67**	**3.69**	**1.58**	**143.29**	**1,021.44**	**58,227.06**	**1,012.92**	**20.33**	**1,033.25**
Net Block													
As at March 31, 2021	1,228.12	-	11,265.94	53,933.30	55.13	6.33	0.01	201.61	311.41	67,001.85	-	36.86	36.86
As at March 31, 2022	1,228.12	-	10,554.58	46,023.10	52.42	6.30	0.01	183.47	283.59	58,331.59	-	33.73	33.73

Notes :

1 The title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company. In respect of assets given as collateral for loans taken from banks, the title deeds are in the custody of the respective banks.

2 The Company has not revalued its property, plant and equipment (including right-of-use asset) during the year, since the Company has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.

3 No depreciation has been considered in respect of vehicles and office equipments as the assets have reached their residual value as per Schedule II to the Companies Act, 2013.

4 The Company has not revalued its intangible asset, since the Company has adopted cost model as its accounting policy to an entire class of Intangible Asset in accordance with Ind AS 38.

₹ in Lakhs

		As at March 31, 2022	As at March 31, 2021
5	**Capital work-in-progress**		
	Property, plant and equipment under development	978.42	743.06
		978.42	**743.06**
	Refer Note 51 (a) for information relating to ageing schedule of Capital work in progress		
	Refer Note 51 (b) for information relating to estimated completion schedule of Capital work in progress		
6	**Non-current investments**		
	Investments in companies other than subsidiaries, associates and joint ventures at FVTOCI		
	Non - Trade		
	Investments in Equity Instruments (Quoted)		
	18,600 equity shares (previous year 18,600) of Rs.10 each in Bank of India Ltd, fully paid up	8.53	12.62
	Investments in Equity Instruments (Unquoted)		
	6,00,000 equity shares of Rs. 10 each in Sai Regency Power Corporation Pvt.Ltd, fully paid up	60.00	60.00
	31,50,000 equity shares of Rs.10 each in Investment in Nellai Renewables Private Limited, fully paid up	315.00	-
	1,19,568 equity shares of Rs.10 each in MSE Financial Services Limited, fully paid up *	23.99	23.99
	8,823 equity shares of Rs.1/- each allotted in Madras Enterprises Private Limited *	3.83	3.83
	Trade		
	Investments in Equity Instruments of Subsidiaries (Unquoted) at cost		
	10,000 Common Stock of GBP. 1 each in Orchid Europe Limited, UK, fully paid up	6.42	6.42
	2,00,000 Common Stock of USD. 1 each in Orchid Pharmaceuticals Inc., USA, fully paid up	85.07	85.07
	99,99,990 Series A & 48,93,750 Series B Convertible Preferred Stock par value USD 0.001 per share and 9,001,090 Common stock of par value USD 0.001 per share in Bexel Pharmaceutical Inc. **	8,883.24	8,883.24
	1,10,00,000 Common stock of Par value of USD 0.125 per share in Bexel Pharmaceutical Inc.	599.09	599.09
	303,639 Ordinary shares each and 1 in Orchid Pharmaceuticals SA (Proprietary) Limited. South Africa, fully paid up	17.69	17.69
	7,140,378 Series A Preferred stock & 322,986 Common stock par value of 0.83595 USD per share in Diakron Pharmaceuticals, Inc. USA	2,825.01	2,825.01

Notes to Financial Statements for the year ended March 31, 2022

(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

₹ in Lakhs

	As at March 31, 2022	As at March 31, 2021
Investments in Equity Instruments of Associate (Unquoted) at cost		
4,55,00,000 equity share of Rs.10 /- each in Orbion Pharmaceuticals Private Limited	4,550.00	-
	17,377.87	12,516.96
Less: Provision for diminution in fair value of investments	(12,476.52)	12,476.52)
Total non-current investments	**4,901.35**	**40.44**
Aggregate value of quoted investments	8.53	12.62
Aggregate market value of quoted investments	8.53	12.62
Aggregate value of unquoted investments	17,369.34	12,504.34
Aggregate amount of impairment in value of investments	12,476.52	12,476.52

* Pursuant to the Scheme of Arrangement of MSE Financial Services Ltd and SRT Ascendancy Solutions Private Ltd with Madras Enterprises Ltd, 2.60 shares of Madras Enterprises Ltd have been allotted for every one share held in MSE Financial Services Ltd.

** Each Series A & B Preferred stock is convertible into One Common stock, at any time, at the option of the Company and will have voting rights equal to one common stock and has the same value as common stock.

		As at March 31, 2022	As at March 31, 2021
7	Other non-current financial assets		
	(Unsecured, considered good)		
	Security deposits for electricity and power	460.69	392.24
	Fixed deposits with banks (maturing after 12 month from the reporting date)	0.74	1.33
	Other Deposits	14.62	6.15
	(Unsecured, considered doubtful)		
	Loans to subsidiaries	5,229.36	5,229.36
	Others	202.66	202.66
	Less : Provision for expected credit loss	(5,432.02)	(5,432.02)
		476.05	**399.72**

Note : The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The loans given to subsidiaries and other parties during the pre-CIRP period have been fully provided for.

Notes to Financial Statements for the year ended March 31, 2022

(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

₹ in Lakhs

		As at March 31, 2022	As at March 31, 2021
8	**Other non-current assets**		
	(Unsecured, considered good)		
	Capital Advances	1,166.94	-
	(Unsecured, considered doubtful)		
	Advances to suppliers	15,333.30	15,333.30
		16,500.24	15,333.30
	Less: Provision for expected credit loss	(15,333.30)	(15,333.30)
		1,166.94	-

Note :

The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The advances given to suppliers during the pre-CIRP period have been fully provided for.

		As at March 31, 2022	As at March 31, 2021
9	**Inventories**		
	Raw Materials	4,283.13	3,659.38
	Intermediates & Work-in-progress	6,907.63	5,556.29
	Finished Goods	5,484.49	5,148.90
	Stores and Spare parts	152.44	143.99
	Chemicals and Consumables	201.52	200.76
	Packing Materials	236.42	347.25
		17,265.63	**15,056.57**
	Inventory comprises of		
	Raw Materials		
	7Aca	335.13	507.30
	7-HACA	626.74	176.71
	Thiost	372.46	71.05
	Others	2,948.80	2,904.32
		4,283.13	**3,659.38**
	Intermediates & Work-in-progress		
	Cefuroxime Acid (Eu)	7.05	34.53
	Pavest	267.36	132.28
	Cefuroxime Axetil Crystallin Exdrier(Eu)	120.06	0.30
	7-Acta (E)	138.73	10.39
	Cefazolin Inter	128.75	698.46
	Cava (E)	126.61	129.30
	Others	6,119.07	4,551.03
		6,907.63	**5,556.29**

Notes to Financial Statements for the year ended March 31, 2022

(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

₹ in Lakhs

	As at March 31, 2022	As at March 31, 2021
Finished Goods		
Cephalothin Sodium Buffered Sterile	330.11	253.60
Ceftriaxone Sodium Ep (Sterile)	172.48	16.94
Cefuroxime Axetil Amorphous Blended	199.72	823.38
Cefixime Powder (Ep)	9.00	576.79
Others	4,773.18	3,478.19
	5,484.49	**5,148.90**

Note:

The Company has physically verified the inventories at reasonable intervals and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed during such verification.

10 Current Investments

Fair valued through profit and loss		
Investment in Mutual Funds	-	1,502.08
	-	**1,502.08**

11 Trade receivables

Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	16,022.73	13,196.12
Trade Receivables which have significant risk increase in credit risk	-	-
Trade Receivables credit impaired	8,094.87	6,722.06
	24,117.60	19,918.18
Less: Allowance for expected credit loss	(8,094.87)	(6,722.06)
	16,022.73	**13,196.12**

Note:

Trade receivables are neither due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member, except to the extent disclosed in Note 49 relating to amounts receivable from related parties.

Refer Note 48 for information about risk profile of Trade Receivables under Financial Risk Management.

Refer Note 51 (c) for the ageing schedule of Trade Receivables.

	As at March 31, 2022	As at March 31, 2021
12. Cash and cash equivalents		
Cash on hand	3.46	4.36
Balances with banks		
In current accounts	41.56	300.68
In term deposits (having original maturity of less than 3 months)	-	1,170.00
	45.02	**1,475.04**

Notes to Financial Statements for the year ended March 31, 2022

(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

₹ in Lakhs

		As at March 31, 2022	As at March 31, 2021
13	**Other Bank Balances**		
	In term deposits with banks (maturing within 12 months from the reporting date) *	0.59	80.00
	In earmarked accounts		
	Escrow Accounts	323.60	341.78
	Fractional Shares Account with banks	51.45	-
		375.64	**421.78**
14	**Loans**		
	Loans considered good - Secured	-	-
	Loans considered good - Unsecured	-	-
	Loans which have significant risk increase in credit risk	-	-
	Loans credit impaired		
	Loans to subsidiaries	99.26	99.26
		99.26	99.26
	Less : Allowance for expected credit loss	(99.26)	(99.26)
		-	**-**

Note :

The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The loans given to subsidiaries and other parties during the pre-CIRP period have been fully provided for.

		As at March 31, 2022	As at March 31, 2021
15	**Other current financial assets**		
	(Unsecured, considered good)		
	Interest accrued on fixed deposits with banks	0.14	7.07
		0.14	**7.07**
16	**Current tax assets**		
	Advance income tax (net of provision for tax)	5,255.39	5,445.99
		5,255.39	**5,445.99**
17	**Non current assets held for sale and disposal groups**		
	IKKT Undertaking	-	9,864.82
	Land at Vishakhapatnam	-	891.40
	Orchid Towers	1,328.97	1,328.97
		1,328.97	**12,085.19**

Notes to Financial Statements for the year ended March 31, 2022

(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

₹ in Lakhs

		As at March 31, 2022	As at March 31, 2021
18	**Other current assets**		
	(Unsecured, considered good)		
	Advance recoverable in cash or in kind		
	Advance to suppliers	305.93	598.64
	Prepaid expenses	697.57	219.90
	MEIS license scrips entitlement	588.70	698.58
	Balances with Statutory Authorities	1,645.15	3,517.97
	(Unsecured, considered doubtful)		
	Advances to suppliers	29.75	-
		3,267.10	5,035.09
	Less : Allowance for expected credit loss	(29.75)	-
		3,237.35	**5,035.09**

Note :

The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The advances given to certain suppliers during the pre-CIRP period have been fully provided for.

		As at March 31, 2022	As at March 31, 2021
19	**Equity Share Capital**		
	Authorised Share Capital		
	15,00,10,000 (Previous year 15,00,10,000) Equity shares of Rs. 10 each*	15,010.00	15,010.00
		15,010.00	**15,010.00**
	* The authorised share capital of the Company has increased by 10,000 shares of Rs.10 each pursuant to a scheme of amalgamation. However, the same is yet to be updated in the records of the registrar of companies. The Company is closely following it up for regularisation.		
	Issued Share Capital		
	4,08,16,400 (Previous year 4,08,16,400) Equity shares of Rs. 10 each	4,081.64	4,081.64
		4,081.64	**4,081.64**
	Subscribed and fully paid up share capital		
	4,08,16,400 (Previous year 4,08,16,400) Equity shares of Rs. 10 each	4,081.64	4,081.64
		4,081.64	**4,081.64**
Notes:			
(a)	Reconciliation of number of equity shares subscribed		
	Balance at the beginning and end of the period (Nos)	**4,08,16,400**	**4,08,16,400**

Notes to Financial Statements for the year ended March 31, 2022

(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

(b) Shares held by holding, subsidiary and associate companies

₹ in Lakhs

Name of the share holders	March 31, 2022		March 31, 2021	
	No of shares	%	No of shares	%
Dhanuka Laboratories Limited (holding company)*	3,67,19,957	89.96%	4,00,00,072	98.00

There are no shares held by subsidiaries and associates in the Company.

(c) Shareholders holding more than 5% of the total share capital

Name of the share holders	March 31, 2022		March 31, 2021	
	No of shares	%	No of shares	%
Dhanuka Laboratories Limited (holding company)*	3,67,19,957	89.96%	4,00,00,072	98.00

* The successful resolution applicant of a listed company in the case of a Corporate Insolvency Resolution Process is required to increase the public holding to at least 25% within three years from the date of implementation of the approved resolution plan (i.e., on or before March 31, 2023). The Company is taking the necessary steps to achieve the required threshold limits.

(d) Shares held by promoters at the end of the year

₹ in Lakhs

Name of the share holders	March 31, 2022		
	No of shares	%	No of Change
Dhanuka Laboratories Limited (holding company)*	3,67,19,957	89.96%	8.04%

(e) The company has only one class of equity shares having a par value of Rs.10 each. The equity shares of the company having par value of Rs.10/- rank pari-passu in all respects including voting rights and entitlement to dividend. The dividend proposed if any, by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year, the Company has not proposed any dividend.

₹ in Lakhs

		As at March 31, 2022	As at March 31, 2021
20	**Other Equity**		
	Capital Reserve	5,105.69	5,105.69
	Capital Reserve on Amalgamation	1,63,125.58	1,63,125.58
	Securities Premium	46,447.86	46,447.86
	Equity component of Optionally convertible debentures	6,856.06	6,856.06
	General Reserve	55,851.90	55,851.90
	Other Comprehensive Income	(9.69)	(5.60)
	Retained Earnings	(2,13,663.78)	(2,13,329.45)
		63,713.62	**64,052.04**
	a) Capital reserve		
	Balance at the beginning and end of the year	**5,105.69**	**5,105.69**

Capital reserve was created in the earlier years in respect of business acquired by the Company. The Company can use this reserve for issuing fully paid up Bonus shares.

Notes to Financial Statements for the year ended March 31, 2022

(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

₹ in Lakhs

	As at March 31, 2022	As at March 31, 2021
b) Capital Reserve on Amalgamation		
Balance at the beginning and end of the year	**1,63,125.58**	**1,63,125.58**
Capital reserve on Amalgamation was created in the earlier years as per approved resolution plan on the amalgamation of the special purpose vehicle with the Company. The Company can use this reserve for issuing fully paid up Bonus shares.		
c) Securities Premium		
Balance at the beginning and end of the year	**46,447.86**	**46,447.86**
Securities Premium was credited when shares are issued at a premium. The Company can use this reserve to issue bonus shares, to provide for premium on redemption of shares or debentures, preliminary expenses and the commission paid or discount allowed on, any issue of shares or debentures of the company		
d) Equity component of Optionally convertible debentures		
Balance at the beginning and end of the year	**6,856.06**	**6,856.06**
This represents the equity component accounted as per split accounting prescribed for compound financial instruments under Ind AS 109 "Financial Instruments". This will be available as free reserves once the Company completed the conversion of the debentures into equity.		
e) General Reserve		
Balance at the beginning and end of the year	55,851.90	55,851.90
General Reserve represents the statutory reserve in accordance with Companies Act, 2013 wherein a portion of profit is apportioned to general reserve. This is a free reserve and the Company can use it for declaration of dividends, subject to the conditions prescribed by the Companies Act, 2013.		
f) Other comprehensive income		
Balance at the beginning of the year	(5.60)	(12.22)
Net Other Comprehensive Income for the year	142.30	66.47
(Deductions)/ Adjustments during the year	(146.39)	(59.85)
Balance at the end of the year	**(9.69)**	**(5.60)**

Other comprehensive income represents the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The Company has opted to recognise the changes in the fair value of certain investments in equity instruments and remeasurement of defined benefit obligations in OCI. The Company transfers amounts from this reserve to Retained Earnings in case of actuarial loss / gain and in case of fair value recognition of equity instrument, the same will be transferred when the respective equity instruments are derecognised.

Notes to Financial Statements for the year ended March 31, 2022

(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

₹ in Lakhs

		As at March 31, 2022	As at March 31, 2021
	g) Retained Earnings		
	Balance at the beginning of the year	(2,13,329.45)	(2,01,673.97)
	Net loss for the year	(480.72)	(11,715.33)
	Transfer from Other Comprehensive Income	146.39	59.85
	Balance at the end of the year	**(2,13,663.78)**	**(2,13,329.45)**
	Retained Earnings represent the undistributed profits/ accumulated losses of the Company remaining after transfer to other Reserves.		
21	**Long Term Borrowings**		
	Secured		
	From Banks		
	Rupee Term Loans	-	36,400.00
	Foreign Currency Term Loans	14,778.80	-
	Unsecured Loans		
	0% Optionally Convertible Debentures	9,732.42	8,589.74
		24,511.22	44,989.74
	Less: Current maturities of long term borrowings (refer note 24)	(3,694.70)	(2,240.00)
		20,816.52	**42,749.74**
	Note : The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.		
	Registration, Modification and Satisfaction of charges relating to the year under review, had been filed with the ROC, within the prescribed time or within the extended time requiring the payment of additional fees.		
	* Refer Note 47 for repayment terms and security details.		
22	**Provisions (Non-current)**		
	Provision for Employee Benefits		
	Gratuity	868.56	881.28
	Compensated absence	232.73	272.61
		1,101.29	**1,153.89**

Notes to Financial Statements for the year ended March 31, 2022

(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

₹ in Lakhs

		As at March 31, 2022	As at March 31, 2021
23	**Deferred Tax Asset / (Liability) - Net**		
	Deferred Tax Liability		
	On Fixed Assets	8,283.47	14,933.97
	On Others	322.62	322.62
		8,606.09	15,256.59
	Deferred Tax Asset		
	On unabsorbed tax depreciation	8,283.47	14,933.97
	Net deferred tax asset / (liability)	**(322.62)**	**(322.62)**
	Note: In view of carry forward tax losses, the recognition of deferred tax asset has been scaled down to the extent of deferred tax liability		
24	**Current liabilities - Borrowings**		
	Secured*		
	Cash Credit Facility / Working Capital Demand Loans and Buyers Credit	2,284.14	284.26
	Current maturities of long term borrowings (refer note 21)	3,694.70	2,240.00
		5,978.84	**2,524.26**

Note:

Short term Borrowings (other than Current maturities of Long term borrowings) are secured by way of first pari passu hypothecation charge on trade receivables and inventories of the Company, present and future. The quarterly returns or statements filed by the Company with the banks or financial institutions are in agreement with the books of accounts, except in the following cases

Quarter ended	As per financials	As per returns filed with banks	Difference	Reason
June 30, 2021		Not submitted to Bank as there is no working capital limit during Q1		
September 30, 2021	18,644.90	18,848.69	(203.79)	The difference is mainly due to estimated over head rate considered while valuing WIP and FG given to the bank and the actual over head rate finalised on completion of limited review of the quarterly results. Also the bank stock statement does not include R&D Stock (INR 1.29 Cr)
December 31, 2021	17,665.14	17,452.51	212.63	The difference is mainly due to estimated over head rate considered while valuing WIP and FG given to the bank and the actual over head rate finalised on completion of limited review of the quarterly results. Also the bank stock statement does not include R&D Stock (INR 1.18 Cr)

(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

₹ in Lakhs

Quarter ended	As per financials	As per returns filed with banks	Difference	Reason
March 31, 2022	17,265.63	16,409.97	855.66	The difference is mainly due to estimated over head rate considered while valuing WIP and FG given to the bank and the actual over head rate finalised on completion of the audit of the quarterly results. . The bank stock statement does not include R&D Stock (1.18 Cr). Provision for non moving stock created in Q4 - INR 0.54 Cr which was not included in the statement given to the bank

* Refer Note 47 for repayment terms and security details

The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.

Refer Note No. 48 for information about risk profile of borrowings under Financial Risk Management.

		As at March 31, 2022	As at March 31, 2021
25	**Trade payables**		
	Dues to Micro enterprises and Small enterprises	340.27	785.90
	Dues to Creditors other than Micro and Small enterprises	11,733.46	6,088.09
		12,073.73	**6,873.99**

* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. Refer note 42

Refer Note 48 for information about risk profile of trade payables under Financial Risk Management.

Refer Note 51(d) for information about aging of trade payables

		As at March 31, 2022	As at March 31, 2021
26	**Provisions (Current)**		
	Provision for employee benefits		
	Gratuity	255.46	232.48
	Compensated absence	45.25	119.96
		300.71	**352.44**
27	**Other current liabilities**		
	Statutory Liabilities	98.39	79.61
	Fractional Share amount payable to shareholders	51.45	252.64
	Employee related payable	1.19	0.25
	Advance and deposits from customers etc.,	878.95	3.74
		1,029.98	**336.24**

Notes to Financial Statements for the year ended March 31, 2022

(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

₹ in Lakhs

		For the year ended March 31, 2022	For the year ended March 31, 2021
28	**Revenue from operations**		
	Sale of Products	55,348.97	43,881.71
	Sale of Services	77.28	46.45
	Other Operating Revenues		
	Sale of other materials	271.19	1,141.34
		55,697.44	**45,069.50**
	Details of Sale of products		
	Cephalosporin API	55,054.13	43,688.61
	Cephalosporin FDF	142.73	124.10
	Non Penicillin Non Cephalosporin FDF	152.11	69.00
		55,348.97	**43,881.71**
29	**Other income**		
	Interest income	41.88	73.26
	Profit on sale of property plant and equipment	0.04	-
	Foreign exchange gain (net)	758.18	330.61
	Income from fair valuation of investments	-	90.10
	Profit on sale of investments	51.24	104.08
	Other non-operating income	48.95	48.06
		900.29	**646.11**
30	**Cost of materials consumed**		
	Opening inventory of raw materials	2,106.10	2,970.88
	Add : Purchases	35,856.92	23,631.30
	Less : Closing inventory of raw materials	(4,283.13)	(2,106.10)
		33,679.89	**24,496.08**
	Note : Opening and closing inventories are excluding items considered under discontinued operations		
31	**Changes in inventories of work-in-progress, stock in trade and finished goods**		
	Opening stock		
	Intermediates & Work-in-progress	5,217.56	4,241.94
	Finished Goods	4,902.00	4,308.83
		10,119.56	**8,550.77**
	Closing stock		
	Intermediates & Work-in-progress	6,907.63	5,217.56
	Finished Goods	5,484.49	4,902.00
		12,392.12	**10,119.56**
	Total changes in inventories	**2,272.56**	**1,568.79**
	Note : Opening and closing inventories are excluding items considered under discontinued operations		
32	**Employee benefits expense**		
	Salaries and wages	4,935.58	5,368.25
	Contribution to provident and other funds	542.21	501.69
	Staff welfare expenses	542.81	569.94
		6,020.60	**6,439.88**

Notes to Financial Statements for the year ended March 31, 2022

(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

₹ in Lakhs

		For the year ended March 31, 2022	For the year ended March 31, 2021
33	**Depreciation and amortisation expense**		
	Depreciation on Property, Plant and Equipment	8,698.95	11,415.17
	Less : Depreciation considered under discontinued operations	-	(528.49)
	Amortisation of Intangible Assets	3.13	231.24
	Less : Amortisation considered under discontinued operations	-	(228.05)
		8,702.08	**10,889.87**
34	**Finance Cost**		
	Interest on bank borrowings	1,859.51	3,902.98
	Interest on others	1,341.66	1,230.58
		3,201.17	**5,133.56**
35	**Other expenses**		
	Power and fuel	5,273.93	3,931.09
	Consumption of Stores, Spares & Chemicals	1,272.56	1,149.12
	Rent	1.24	1.67
	Repairs to buildings	65.35	75.98
	Repairs to plant and machinery	57.02	65.59
	Factory maintenance	1,230.89	1,135.48
	Insurance	374.55	452.95
	Rates & Taxes	69.21	198.94
	Postage, Telephone & Telex	25.72	25.80
	Printing & Stationery	53.28	42.30
	Vehicle Maintenance	2.74	2.42
	Research & Development Expenses	662.63	480.80
	Advertisement	4.40	2.40
	Recruitment expenses	8.03	3.42
	Payment to Auditors [refer note 35 (a)]	34.53	34.86
	Cost Audit fee	2.00	2.00
	Travelling and Conveyance	19.70	9.45
	Directors' remuneration & perquisites	146.71	102.88
	Directors' travelling expenses	20.80	-
	Directors' sitting fees	9.75	6.50
	Freight outwards	953.92	795.90
	Commission on sales	1,070.75	347.63
	Business promotion and selling expenses	5.50	6.23
	Lease rentals	101.25	101.25
	Professional consultancy charges	300.23	540.70
	Allowance for expected credit loss	366.73	132.80
	Bank charges	144.43	87.11
	Loss on sale of property plant and equipment	-	6.50
	Miscellaneous expenses	265.74	170.46
		12,543.59	**9,912.23**

Notes to Financial Statements for the year ended March 31, 2022

(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

		For the year ended March 31, 2022	For the year ended March 31, 2021
35 (a)	**Payment to auditors**		
	For statutory audit	18.00	18.00
	For issuing limited review reports	12.00	12.00
	For tax audit	2.50	2.50
	For certificate and other services	1.82	2.04
	Out of pocket expenses	0.21	0.32
		34.53	**34.86**

36 Income tax expense

In view of the carried forward losses under the taxation laws, no provision for tax is created. Since the Company had loss for the FY 2021-2022 as per books, the provisions of tax on book profits are not applicable to the Company.

Movement of deferred tax expense

For the year ended March 31, 2022

₹ in Lakhs

Deferred tax (liabilities)/assets in relation to	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant, and equipment and Intangible Assets	(14,933.97)	6,650.50	-	(8,283.47)
Unabsorbed tax depreciation (refer note below)	14,933.97	(6,650.50)	-	8,283.47
Other temporary differences	(322.62)	-	-	(322.62)
	(322.62)	**-**	**-**	**(322.62)**
For the year ended March 31, 2021				
Deferred tax (liabilities)/assets in relation to	**Opening balance**	**Recognised in profit or loss**	**Recognised in OCI**	**Closing balance**
Property, plant, and equipment and Intangible Assets	(19,749.52)	4,815.55	-	(14,933.97)
Unabsorbed tax depreciation (refer note below)	19,749.52	(4,815.55)	-	14,933.97
Other temporary differences	(322.62)	-	-	(322.62)
	(322.62)	**-**	**-**	**(322.62)**

Note :

Since the company has unabsorbed depreciation, it has scaled down the recognition of deferred tax asset to that extent it matches with the aggregate deferred tax liability arising on account of property, plant and equipment. However, no deferred tax asset has been created in respect of carry forward business losses in the absence of convincing evidence that future taxable income will be available.

Notes to Financial Statements for the year ended March 31, 2022

(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

₹ in Lakhs

		For the year ended March 31, 2022	For the year ended March 31, 2021
37	**Earnings per share**		
	Profit for the year attributable to owners of the Company	(480.72)	(11,715.33)
	Weighted average number of ordinary shares outstanding	4,08,16,400	4,08,16,400
	Basic earnings per share (Rs)	(1.18)	(28.70)
	Diluted earnings per share (Rs)	(1.18)	(28.70)
38	**Earnings in foreign currency**		
	FOB value of exports	48,302.71	39,664.05
39	**Expenditure in foreign currency (on accrual basis)**		
	Interest and bank charges	145.05	14.25
	Professional consultancy charges	81.74	186.71
	Others	756.40	321.03
		983.19	521.99

		For the year ended March 31, 2022	For the year ended March 31, 2021
40	**CIF value of imports**		
	Raw Materials and packing materials	19,507.06	16,697.68
	Spare parts, components and consumables	-	73.36
		19,507.06	**16,771.04**

41 **Value of imported and indigenous Raw material Consumed during the financial year and the percentage of each to the total consumption**

₹ in Lakhs

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Rs. In Lakhs	Percentage (%)	Rs. In Lakhs	Percentage (%)
Raw Materials and Packing Materials				
Imported	19,252.59	57.16	16,202.54	66.14
Others	14,427.30	42.84	8,293.54	33.86
	33,679.89	**100.00**	**24,496.08**	**100.00**
Stores, Spares and Consumable stores				
Imported	55.06	4.33	56.36	4.90
Others	1,217.50	95.67	1,092.76	95.10
	1,272.56	**100.00**	**1,149.12**	**100.00**

Notes to Financial Statements for the year ended March 31, 2022

(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

42 Expenditure on Research and Development

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue expenditure charged to the Statement of Profit or Loss includes:		
Power and fuel	36.66	0.89
Consumption of stores, spares and chemicals	104.94	39.09
Salaries, wages and bonus	448.52	369.30
Contribution to Provident and other funds	30.09	32.55
Insurance	-	0.49
Postage, telephone and telex	0.02	0.03
Printing and stationery	0.52	0.82
Vehicle maintenance	0.20	0.49
Filing and registration expenses	0.88	1.22
Professional consultancy charges	14.96	20.12
Others	25.84	15.80
	662.63	**480.80**

43 Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under *

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) The principal amount remaining unpaid at the end of the year	340.27	785.90
(b) The delayed payments of principal amount paid beyond the appointed date during the year	-	-
(c) Interest actually paid under Section 16 of MSMED Act	-	-
(d) Normal Interest due and payable during the year, as per the agreed terms	-	-
(e) Total interest accrued during the year and remaining unpaid	-	-
*This information has been determined to the extent such parties have been identified on the basis of information available with the Company.		

Notes to Financial Statements for the year ended March 31, 2022

(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

44 Commitments and contingent liabilities

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Contingent Liability		
Claims against the company not acknowledged as debts		
- Income Tax dispute pending before High Court of Chennai *	-	-
- Other claims **	250.34	-
Unexpired Letter of Credit	**2,236.39**	**4,511.57**
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	19.35

* The RP has confirmed that a public announcement was caused by the IRP regarding the initiation of corporate insolvency resolution process and submission of claims was called under section 15 on August 24, 2017. Pursuant to such public announcement, the IRP/ RP of the Corporate Debtor has received certain claims from statutory authorities which was admitted under the provisions of Insolvency and Bankruptcy Code, 2016 (IBC code) and subsequent settlement made as per the approved resolution plan. Accordingly, the Corporate Debtor/ Resolution Applicant/ SPV will have no additional exposure arising out of the claims towards the Statutory Dues which have not been admitted and/or the claims which have been rejected (partly or fully) by the RP and/or because of the re-classification in the category of creditor(s)

Considering the above, all statutory liabilities of pre-CIRP period is considered as completely settled and no liability, whatsoever, including contingent in nature is existing on implementation of the resolution plan.

** The Company has taken certain lands on lease for its operations in respect of which the lease agreement expired before the date of commencement of the Corporate Insolvency Resolution Process. As part of the right to review the existing agreements, the Company has made a detailed assessment of the market rent for the property and the market value of the property for outright purchase. Since the present rent as per erstwhile lease agreements is significantly high considering the market value of the property itself, the Company is in talks with the lessor for renewal of the lease with lower rent or for outright purchase of the property as part of the implementation of the resolution plan. However, no finality is reached on this matter as of date.

Pending completion of the negotiation, the Company has disputed the portion of the lease rent, considered to be excessive than the market rate, amounting to Rs.2,051.33 Lakhs upto March 31, 2022 in respect of the aforesaid lease. Based on the legal opinion obtained, the management is of the opinion that no liability will arise on completion of the negotiation.

45 Operating Segments

The operations of the Company falls under a single operating segment i.e., "Pharmaceuticals" in accordance with Ind AS 108 "Operating Segments" and hence no segment reporting is applicable. Since the Company has also laid down consolidated financial statements, the disclosures required as per Ind AS 108 is given as part of notes on accounts of the consolidated financial statements.

46 Operating lease arrangements

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
As Lessee		
The Company has entered into operating lease arrangements for certain facilities. The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties.		
Lease payments recognised in the Statement of Profit and Loss	101.25	101.25

Notes to Financial Statements for the year ended March 31, 2022

(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

47 Terms and conditions of borrowings

Long term borrowings - Term loans from banks

As per the terms of the Loan agreement, Interest for the Rupee Term loan is 1Y MCLR+1.80%; commission for the LC in case of import : 0.50%+GST and in case of inland : 3.60%+GST. These loans are Repayable in 20 equal quarterly installments after a moratorium period of one year from the date of disbursement (i.e. June 2021)

The above rupee term loan got converted in to Foreign Currency Term Loan (FCTL) on December 6, 2021 with interest rate @ 6 Months LIBOR plus 2.25% margin. These Loans are repayable in 18 equal quarterly installments starting from December 2021

ii) First charge on all movable fixed assets by way of hypothecation, of all movable fixed assets including movable plant and machinery, machinery, spares, tools and accessories, furniture & fixtures, vehicles, etc. present and future

iii) First charge over

a) all the rights, titles, interest, benefits, claims & demand whatsoever of the Company and as amended, varied or supplemented from time to time

b) all the title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee, performance bond provided by any party to the Company present or future.

c) First pari-passu charge on intangibles, goodwill, uncalled capital , present and future

iv) First charge by way of hypothecation over the entire current assets (both present & future)

v) Pledge of 50% of fully paid up equity shares of the Company held by the promoters to the lender through security trustee arrangement. In case of any restriction under Banking Regulation Act, promoter to pledge 30% of the fully paid up equity shares of the Company and provide Non Disposal Undertaking for the balance 20% with specific power of attorney authorizing Bank to sell those shares.

vi) The term loans are additionally secured by personal guarantee given by one of the director of the Company Mr. Manish Dhanuka and one of the director of the holding company Mr. Mahendra Kumar Dhanuka

Long term borrowings - 0% Optionally Convertible Debentures

During the year ended March 31, 2020, the Company has issued 14,300 0% Optionally Convertible Debentures (OCD) of Rs.1,00,000 each. In case, the OCD holders exercise their option to convert the same, then the said conversion shall happen only on the basis of face value of each of the OCD and no interest shall be payable to the OCD holders. However, if the OCD holders opt not to exercise their option for conversion, then the OCL holders shall be entitled to redemption premium of atleast 11 % IRR on annual basis on the amount of the said OCDs or such higher amount as the Board decides after considering the market price of shares of the Company; however in any case, redemption premium shall not exceed beyond 18% IRR on an annual basis. The said OCD, till the time it is not converted into equity shares, shall not be listed on any stock exchange in India and are permitted to be transferred only with the permission of the Board of Directors of the Company. Further there shall be no redemption of OCDs, including payment of interest/ other kind of return of what so ever nature thereon, until entire outstanding of the loan availed from Union Bank of India is paid in full to the lender.

Short term borrowings

The cash credit limits and working capital demand loan with the banks are secured by:

i) Current Assets - First Pari pasu charge by way of hypothecation over the entire current assets, both present and future.

ii) Movable Fixed assets - Second charge on all movable fixed assets by way of hypothecation, of all movable fixed assets including movable plant and machinery, machinery, spares, tools and accessories, furniture & fixtures, vehicles, etc. present and future.

iii) Second charge by way of mortgage of land/ leasehold rights and all the buildings present and future of Orchid Pharma Limited. First pari passu charge over all the rights, titles, interests, benefits, claims and demand whatsoever of OPL and as amended, varied or supplemented from time to time and first pari passu charge on all the titles, interests, benefits, claims and demand whatsoever of OPL, in any letter of credit, guarantee or performance bond provided by any party to OPL, present or future. First pari passu charge on intangibles, goodwill uncalled capital present and future.

iv) Personal guarantee of Mr. Manish Dhanuka and Mr. Mahendra Kumar Dhanuka

Notes to Financial Statements for the year ended March 31, 2022

(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

48 Financial Instruments

Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

₹ in Lakhs

Gearing Ratio	March 31, 2022	March 31, 2021
Debt	24,511.22	44,989.74
Less: Cash and bank balances	420.66	1,896.82
Net debt	24,090.56	43,092.92
Total equity	67,795.26	68,133.68
Gearing ratio (%)	35.53%	63.25%
Categories of Financial Instruments	**March 31, 2022**	**March 31, 2021**
Financial assets		
a. Measured at amortised cost		
Other non-current financial assets	476.05	399.72
Trade receivables	16,022.73	13,196.12
Cash and cash equivalents	45.02	1,475.04
Bank balances other than above	375.64	421.78
Other financial assets	0.14	7.07
b. Mandatorily measured at FVTOCI		
Investments	4,901.35	40.44
c. Mandatorily measured at FVTPL		
Current Investments	-	1,502.08
Financial liabilities		
a. Measured at amortised cost		
Borrowings (non-current, excluding current maturities)	20,816.52	42,749.74
Borrowings (current)	5,978.84	2,524.26
Trade payables	12,073.73	6,873.99
b. Mandatorily measured at FVTPL		
Derivative instruments	-	

Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using natural hedging financial instruments and forward contracts to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Notes to Financial Statements for the year ended March 31, 2022

(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposure through its finance division, wherever required, to mitigate the risks from such exposures.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures.

Disclosure of hedged and unhedged foreign currency exposure

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As on March 31, 2022

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	254.42	-	254.42	247.10	-	247.10	(7.32)
EUR	2.28	-	2.28	0.97	-	0.97	(1.31)
Others	2.17	-	2.17	-	-	-	(2.17)
In INR	19,557.21	-	19,557.21	18,884.32	-	18,884.32	(672.89)

As on March 31, 2021

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	22.18	-	22.18	206.41	-	206.41	184.23
EUR	2.13	-	2.13	3.22	-	3.22	1.09
GBP	0.30	-	0.30	-	-	-	(0.30)
Others	2.16	-	2.16	-	-	-	(2.16)
In INR	3,517.52	-	3,517.52	15,386.50	-	15,386.50	11,868.98

Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because of the existing exchange earning capacity of the company on account of its EOU status (Export oriented undertaking) and higher proportion of earnings in foreign exchange through exports.

Interest rate risk management

The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Company's loss for the year ended March 31, 2022 would decrease/ increase by Rs. 36.95 lakhs (March 31, 2021 : Rs.91.00 lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

(a) Trade Receivables

The Company has credit evaluation policy for each customer and based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank guarantee/letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

(b) Investments, Cash and Cash Equivalents and Bank Deposits

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments is generally low as the Company enters into the Derivative Contracts with the reputed Banks.

Investments of surplus funds are made only with approved banks/ financial institutions/ counterparty. Investments primarily include bank deposits, etc. These bank deposits and counterparties have low credit risk. The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in bank deposit and restricts the exposure in equity markets.

Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the bank agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposits, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Notes to Financial Statements for the year ended March 31, 2022

(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

₹ in Lakhs

March 31, 2022	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	12,073.73	-	-	12,073.73
Borrowings (including interest accrued thereon upto the reporting date)	3,694.70	20,816.52	-	24,511.22
	15,768.43	**20,816.52**	**-**	**36,584.95**
March 31, 2021	**Due in 1st year**	**Due in 2nd to 5th year**	**Due after 5th year**	**Carrying amount**
Trade payables	6,873.99	-	-	6,873.99
Borrowings (including interest accrued thereon upto the reporting date)	2,240.00	34,209.74	8,540.00	44,989.74
	9,113.99	**34,209.74**	**8,540.00**	**51,863.73**
		March 31, 2022	**March 31, 2021**	
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):		Nil	Nil	

49 Related party disclosure

a)	**List of parties controlling the Company and controlled by the Company**	
	Holding company	Dhanuka Laboratories Limited
	Subsidiary Companies	Orchid Europe Limited, UK Orchid Pharmaceuticals Inc., USA Orgenus Pharma Inc., USA (Subsidiary of Orchid Pharmaceuticals Inc USA.) Orchid Pharma Inc / Karalex Pharma USA, (Subsidiary of Orchid Pharmaceuticals Inc, USA) Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa Bexel Pharmaceuticals Inc., USA Diakron Pharmaceuticals Inc., USA
	Associate Company	Orbion Pharmaceuticals Private Limited
	Enterprises in which the KMPs are having control/ significant influence	Otsuka Chemical (India) Pvt Ltd Synmedic Laboratories
b)	**Key Management Personnel and their relatives**	
	Mr. Ram Gopal Agarwal Mr. Manish Dhanuka Mr. Mridul Dhanuka Mr. Arun Kumar Dhanuka Mr. Sunil Gupta Ms. K Nikita	Chairman and non executive director Managing Director Wholetime Director Non Executive Director Chief Financial Officer Company Secretary

(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

c) Transactions with related parties are as follows

₹ in Lakhs

Transactions/ Balances	Holding Company		Subsidiary and Associate Companies		Enterprises in which Key Management Personnel and their Relatives have significant influence		Key Management Personnel and their Relatives	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Sale of goods	772.24	-	739.63	912.15	167.01	4.94	-	-
Purchase of goods	2,044.10	752.90			8,596.94	4,744.14	-	-
Investment made	-	-	4,550.00	-				
Sale of Undertaking	-	-	15,940.81	-				
Remuneration & Short term benefits*	-	-			-	-	155.03	109.70
Capital advances paid	674.03	-			492.90	-		-

*Post employment benefit comprising compensated absences is not disclosed as these are determined for the Company as a whole.

d) Balances with related parties are as follows

Transactions/ Balances	Holding Company		Subsidiary and Associate Companies		Enterprises in which Key Management Personnel and their Relatives have significant influence		Key Management Personnel and their Relatives	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Trade receivables	-	-	3,844.57	3,418.85			-	-
Loans and advances (Current)*	-	-	5,229.36	5,229.36				
Trade payables	-	-			3,503.39	446.10	-	-
Equity Share Capital	-	4,000.00			-	-	-	-
Investments			4,550.00	-				
Advance for purchase of land	674.03	-			492.90	-	-	-
0% Optionally Convertible Debentures (including the equity component disclosed under "Other Equity"	14,300.00	14,300.00			-	-	-	-

* Provision has been made for the entire outstanding amount.

Notes to Financial Statements for the year ended March 31, 2022

(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

e) Material related party transactions are follows ₹ in Lakhs

Transactions/ Balances	Year ended March 31, 2022	Year ended March 31, 2021
Sale of goods		
Orchid Pharma Inc.	734.34	912.15
Synmedic Laboratories	167.01	4.94
Dhanuka Laboratories Limited	772.24	-
Orbion Pharmaceuticals Private Limited	5.29	-
Purchase of goods		
Dhanuka Laboratories Limited	2,044.10	752.90
Otsuka Chemical (India) Pvt Ltd	8,596.94	4,744.14
Advance for purchase of Land		
Dhanuka Laboratories Limited	674.03	-
Synmedic Laboratories	492.90	-
Investments in associate Company		
Orbion Pharmaceuticals Private Limited	4,550.00	-
Sale of Undertaking		
Orbion Pharmaceuticals Private Limited	15,940.81	-
Remuneration & Short term benefits		
Manish Dhanuka	73.35	50.66
Mridul Dhanuka	73.35	52.22
K. Nikita	8.33	6.82

f) Material related party balances are follows

Name of the related party	As at March 31, 2022	As at March 31, 2021
Trade receivables		
Orchid Pharma Inc.*	3,839.28	3,413.91
Orbion Pharmaceuticals Private Limited	5.29	4.94
Trade payables		
Dhanuka Laboratories Limited	-	74.56
Otsuka Chemical (India) Pvt Ltd	3,472.27	340.42
Orchid Europe Limited	31.12	31.12
Advance for purchase of Land		
Dhanuka Laboratories Limited	674.03	-
Synmedic Laboratories	492.90	-
Equity Share Capital		
Dhanuka Laboratories Limited	3,672.00	4,000.00
Investment		
Orbion Pharmaceuticals Private Limited	4,550.00	-
0% Optionally Convertible Debentures		
(including the equity component disclosed under "Other Equity")		
Dhanuka Laboratories Limited	14,300.00	14,300.00

*Provision has been made for the entire outstanding amount

(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

50 Retirement benefit plans

Defined contribution plans

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of Gratuity fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Provident fund, Gratuity fund, Superannuation fund as well as Employee State Insurance Fund.

The total expense recognised in profit or loss of Rs.589.34 Lakhs (for the year ended March 31, 2021: Rs. 535.68 Lakhs) represents contribution paid to these plans by the Company at rates specified in the rules of the plan.

Defined benefit plans

(a) Gratuity

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31, 2022	March 31, 2021
Discount Rate	7.04%	6.68%
Rate of increase in compensation level	7.00%	7.00%
Expected return on plan assets	6.68%	6.68%
Mortality	Indian Assured Lives Mortality (2012-14) (Ultimate)	Indian Assured Lives Mortality (2012-14) (Ultimate)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes to Financial Statements for the year ended March 31, 2022

(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

₹ in Lakhs

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:	March 31, 2022	March 31, 2021
Amount recognised under Employee Benefits Expense in the Statement of profit and Loss:		
Current service cost	82.26	93.40
Net interest expense	97.81	99.88
Return on plan assets	(23.41)	(32.15)
Components of defined benefit costs recognised in profit or loss	**156.66**	**161.13**
Amount recognised in Other Comprehensive Income (OCI) for the year		
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses recognised during the period	(146.39)	(61.35)
Components of defined benefit costs recognised in other comprehensive income	**(146.39)**	**(61.35)**
Components of defined benefit costs recognised in other comprehensive income	**10.27**	**99.78**
i. Current service cost and the net interest expense for the year are included in the 'Employee Benefits Expense' in profit or loss.		
ii. The remeasurement of the net defined benefit liability is included in other comprehensive income.		

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:	March 31, 2022	March 31, 2021
Present value of defined benefit obligation	1,440.26	1,521.80
Fair value of plan assets	(316.24)	(408.04)
Net liability/ (asset) arising from defined benefit obligation	**1,124.02**	**1,113.76**
Funded	1,124.02	1,113.76
Unfunded	-	-
	1,124.02	**1,113.76**

The above provisions are reflected under 'Provision for employee benefits- Compensated absences' (Non current provisions) [Refer note 23] and 'Provision for employee benefits - Compensated absences' (Current provisions) [Refer note 27].

Movements in the present value of the defined benefit obligation in the current year were as follows:	March 31, 2022	March 31, 2021
Opening defined benefit obligation	1,521.80	1,616.08
Current service cost	82.26	93.40
Interest cost	97.81	99.88
Actuarial (gains)/losses	(146.39)	(46.02)
Benefits paid	(115.21)	(241.54)
Rounding off	(0.01)	-
Closing defined benefit obligation	**1,440.26**	**1,521.80**
Movements in the fair value of the plan assets in the current year were as follows:		
Opening fair value of plan assets	408.04	602.10
Return on plan assets	23.41	32.15
Benefits paid	(115.21)	(241.54)
Actuarial gains/(loss)	-	15.33
Closing fair value of plan assets	**316.24**	**408.04**

(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

Sensitivity analysis

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(b) Compensated absences

The leave scheme is a final salary defined benefit plan, that provides for a lumpsum payment at the time of separation; based on scheme rules the benefits are calculated on the basis of last drawn salary and the leave count at the time of separation and paid as lumpsum.

The design entitles the following risk

Interest rate risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of these decrement on the DBO depends upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short caring employees will be less compared to long service employees.

The above provisions are reflected under 'Provision for employee benefits- Compensated absences' (Non current provisions) [Refer note 23] and 'Provision for employee benefits - Compensated absences' (Current provisions) [Refer note 27].

51 Additional regulatory and other information as required by the Schedule III to the Companies Act 2013

(a) Ageing Schedule of Capital Work-in-Progress (CWIP) - March 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(I) Projects in Progress	242.87	1.57	3.01	730.97	978.42
(ii) Projects temporarily suspended	-	-	-	-	-
	242.87	**1.57**	**3.01**	**730.97**	**978.42**

Note: The Company do not have any projects whose activity has been suspended.

Ageing Schedule of Capital Work-in-Progress (CWIP) - March 2021

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in Progress	10.13	0.22	14.47	718.24	743.06
(ii) Projects temporarily suspended	-	-	-	-	-
	10.13	**0.22**	**14.47**	**718.24**	**743.06**

Note: The Company do not have any projects whose activity has been suspended.

(b) Completion Schedule for Capital Work-in-Progress whose completion is overdue

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Phase 27 Project (mainly due to CIRP process)	978.42	-	-	-	978.42

Notes to Financial Statements for the year ended March 31, 2022

(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

c) **Ageing Schedule of Trade Receivables**

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
Considered good	13,693.23	2,069.89	-	-	-	-	15,763.12
Which have significant increase in credit risk and considered doubtful	-					-	-
Credit impaired		-	-				-
Disputed Trade Receivables							
Considered good		-	-	-	-	-	-
Which have significant increase in credit risk and considered doubtful		-	-	-	-	-	-
		-	-	-	259.61	-	259.61
Credit impaired							
	13,693.23	**2,069.89**	-	-	**259.61**	-	**16,022.73**

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
Considered good	10,653.87	2,282.64	-	-	-	-	12,936.51
Which have significant increase in credit risk and considered doubtful	-			-			-
Credit impaired							
Disputed Trade Receivables	-	-	-	-	-	-	-
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk and considered doubtful	-	-	-	-	-	-	-
	-	-	-	259.61	-	-	259.61
Credit impaired							-
	10,653.87	**2,282.64**	-	**259.61**	-	-	**13,196.12**

Notes to Financial Statements for the year ended March 31, 2022

(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

(d) Ageing Schedule of Trade Payables

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022	-	-	-	-	-	
(i). MSME	314.96	15.74	0.82	7.46	1.29	340.27
(ii) Others	4,121.90	5,519.04	592.52	109.03	419.33	10,761.82
(iii). Disputed Dues - MSME	-	-	-	-	-	-
(iv). Disputed Dues - Others	-	-	-	-	-	-
(v). Unbilled Dues	27.99	756.54	24.70	77.10	85.31	971.64
	4,464.85	**6,291.32**	**618.04**	**193.59**	**505.93**	**12,073.73**
As at March 31, 2021						
(i). MSME	344.47	338.59	31.20	6.69	64.95	785.90
(ii) Others	2,068.41	2,939.32	154.46	140.26	251.73	5,554.18
(iii). Disputed Dues - MSME	-	-	-	-	-	-
(iv). Disputed Dues - Others	-	-	-	-	-	-
(v). Unbilled Dues	2.86	363.58	79.49	69.51	18.47	533.91
	2,071.27	**3,641.49**	**265.15**	**216.46**	**335.15**	**6,873.99**

(e) Proceedings under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder

There are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder

(f) Borrowings from banks

The Company is not declared as wilful defaulter by any bank or financial Institution or other lenders.

(g) Relationship with Struck off Companies

The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.

(h) Compliance with number of layers of companies

The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(i) Key Financial Ratios

Particulars	Unit of Measurement	March 31, 2022	March 31, 2021	Variation in %
Current Ratio	In multiple	2.77	6.91	(60%)
Debt-Equity Ratio	In multiple	0.36	0.66	(45%)
Debt Service Coverage Ratio	In multiple	0.49	0.26	88%
Return on Equity Ratio	In %	(1.00%)	(16.00%)	(15.0%)
Inventory Turnover Ratio	In Days	106.00	118.00	(10%)
Trade receivables Turnover Ratio	In Days	96.00	80.00	20%
Trade payables Turnover Ratio	In Days	62.00	52.00	19%
Net Capital Turnover Ratio	In Days	140.00	146.00	(4%)
Net Profit Ratio	In %	(1.00%)	(26.00%)	(25%)
Return on Capital Employed	In %	1.78%	(3.49%)	(5.3%)
Return on Investment (Assets)	In %	(0.41%)	(8.76%)	(8.4%)

Formula adopted for above Ratios:

Current Ratio = Current Assets / (Total Current Liabilities – Security Deposits payable on Demand – Current maturities of Long Term Debt)
Debt-Equity Ratio = Total Debt / Total Equity
Debt Service Coverage Ratio = (EBITDA – Current Tax) / (Principal Repayment + Gross Interest on term loans)
Return on Equity Ratio = Total Comprehensive Income / Average Total Equity
Inventory Turnover Ratio (Average Inventory days) = 365 / (Net Revenue / Average Inventories)
Trade receivables Turnover Ratio (Average Receivables days) = 365 / (Net Revenue / Average Trade receivables)
Trade Payables Turnover Ratio (Average Payable days) = 365 / (Net Revenue / Average Trade payables)
Net Capital Turnover Ratio = (Inventory Turnover Ratio + Trade receivables turnover ratio – Trade payables turnover ratio)
Net Profit Ratio = Net Profit / Net Revenue
Return on Capital employed = (Total Comprehensive Income + Interest) / (Average of (Equity + Total Debt)
Return on Investment (Assets) = Total Comprehensive Income / Average Total Assets

Reasons for Variation if more than 25%

Current Ratio

The current ratio have been decreased mainly due to decrease in non current asset held for sale compared to the previous year.

Debt equity ratio

Major portion of the term loans have been repaid during the year and accordingly, the Debt Equity Ratio has decreased.

Debt Service Coverage Ratio

Due to significant decrease in loss, due to profit on sale of IKKT undertaking, the Debt Service Coverage Ratio has significantly improved.

(j) Scheme of arrangements

There are no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

(k) Advance or loan or investment to intermediaries and receipt of funds from intermediaries

The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The company has also not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(l) Undisclosed Income

The Company do not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.

(m) Details of Crypto Currency or Virtual Currency

The Company did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence, disclosures relating to it are not applicable.

(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

52 Discontinuing operations

During the year, the Company has completed the sale of IKKT division, which was previously classified as disposal group as per Ind AS 105. "Non-current Assets Held for Sale and Discontinued Operations"

Operating results of the Company's discontinuing operations (IKKT division) are summarised as follows:

(I) The carrying value of the total assets and liabilities of discontinued operations

₹ in Lakhs

	As at March 31, 2022	As at March 31, 2021
Liabilities		
Non Current liabilities	-	-
Financial Liabilities	-	983.36
Other Current Liabilities	-	25.59
Total liabilities	**-**	**1,008.95**
Assets		
Property, Plant and Equipment (PPE)	-	4,085.82
Intangible Assets	-	1,150.45
Capital Work in Progress	-	433.51
Intangible under development	-	1,054.07
Non Current Financial Assets	-	78.73
Current Financial Assets	-	1,040.66
Other current assets	-	3,030.53
Total Assets	**-**	**10,873.77**
Net Assets/ (Liabilities)	**-**	**9,864.82**

(ii) The revenue and expenses in respect of ordinary activities attributable to discontinuing operations

	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue		
Revenue from operations	1,294.59	2,133.27
Other Income	7,530.09	(33.24)
Total revenue (a)	**8,824.68**	**2,100.03**
Expenses		
Cost of materials consumed	276.45	938.63
Changes in inventories of work-in-progress, stock in trade and finished goods	512.73	(485.09)
Employee benefits expense	439.75	751.68
Depreciation and amortization expense	-	756.54
Other expenses	2,799.43	2,266.38
Total expenses (b)	**4,028.36**	**4,228.14**
Profit/ (Loss) before exceptional item and tax (a-b) = (c)	4,796.32	(2,128.11)
Less : Exceptional item	-	-
Profit/ (Loss) before tax	4,796.32	(2,128.11)
Tax expenses	-	-
Profit/ (Loss) from discontinuing operations	4,796.32	(2,128.11)

As required by Ind AS 105, the Company re-presented the disclosures for prior periods presented in the Standalone financial statements so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented.

Notes to Financial Statements for the year ended March 31, 2022

(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

53. Due to the restrictions imposed due to Covid'19, the Company could not complete the proposed sale of land and buildings at Orchid Towers as planned. The Company has received quotes from certain parties and is confident of completing the sale during the current year. Accordingly, no change has been made in the classification of the aforesaid assets in the previous year.

54. The Company is required to comply with the amendments in Schedule III of Companies Act, 2013 notified on 24-03-2021, with effect from 01-04-2021. Accordingly the Company has complied with the disclosure and presentation requirements as per the aforesaid amendments and reclassified the following items in the previous years, to conform to current year classification.

Nature of reclassification	As at March 31, 2022	As at March 31, 2021	Reason for the reclassification
Hitherto, Current maturities of Long term borrowings was included in Other Current Financial Liabilities. As per the requirement under amendments to Schedule III, the same has been presented under 'Short Term Borrowings' as a separate line and previous year figure has been reclassified	3,694.70	2,240.00	As required by Amendments to Schedule III to the Companies Act 2013

As per our report of even date attached
For **CNGSN & Associates LLP**
Chartered Accountants
Firm Registration No.004915S/ S200036

Chinnsamy Ganesan
Partner
Membership No.027501

Place: Chennai
Date: May 12, 2022

For and on behalf of the Board of Directors of
Orchid Pharma Limited

Manish Dhanuka
Managing Director
DIN: 00238798

Arun Kumar Dhanuka
Non Executive Director
DIN: 00627425

Sunil Gupta
Chief Financial Officer

Nikita K
Company Secretary

Place : Gurgaon
Date: May 12, 2022

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Members of Orchid Pharma Limited

Report on the audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of Orchid Pharma Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its associate, which comprise of the Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Consolidated Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid Consolidated Financial Statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and the consolidated loss, consolidated total comprehensive income, consolidated changes in equity and the consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw attention to the fact that the Consolidated Financial Statements for the year ended March 31, 2022 include the financial statements for the year ended March 31, 2022, of the following subsidiary companies:

- Orchid Europe Limited, UK
- Orchid Pharmaceuticals Inc., USA
- Bexel Pharmaceuticals Inc., USA
- Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa
- Diakron Pharmaceuticals, Inc. USA

The consolidated financial results also include the results of M/s Orbion Pharmaceuticals Private Limited, an associate company accounted under equity method.

We did not audit the standalone financial statements of the above subsidiaries that reflect total assets of Rs.2,229.87 lakhs and net assets of (-) Rs.6,955.67 lakhs as at March 31, 2022, total revenue of Rs. 992.64 lakhs, total comprehensive loss (comprising of loss and other comprehensive income) of Rs. 414.39 lakhs and net cash flows amounting to Rs. 291.29 lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. We did not audit the financial statements of the above associate company included in the consolidated financial statement for the year ended March 31, 2022, whose financial statements reflect the Group's share of total loss of INR 352.27 Lakhs for the year ended March 31,2022.

The standalone financial statements of the subsidiaries and associate are unaudited and have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries and associate, is based solely on such unaudited financial statements. Accordingly, we do not express any opinion on the completeness and true and fair view of the financial statements, including adjustments, if any, required on the carrying amount of assets and liabilities of the above subsidiaries and associate as at March 31, 2022 included in the Consolidated Financial Statements. This is a matter of qualification in our earlier years' audit reports also.

We conducted our audit in accordance with the standards on auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the code of ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the

Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Presentation and disclosure of additional information pursuant to the amendments to Schedule III to the Companies Act, 2013

With a view to facilitate enhanced disclosures and transparency in operations by companies in India, the Ministry of Corporate Affairs (MCA) has issued a batch of amendments to the Schedule III to the Companies Act, 2013 relating to presentation and disclosures in the financial statements. The Group has evaluated the requirements and made the relevant disclosures, including restatement of the disclosures made in the comparative period.

Principal Audit Procedures

We assessed the Group's process to identify, assess, and respond to risks of material misstatement in the disclosure requirements pursuant to the aforesaid amendments to Schedule III to the Companies Act, 2013.

As part of the evaluation of whether sufficient appropriate audit evidence has been obtained, we have evaluated the appropriateness of our initial risk assessments and revised previous risk assessments in for certain financial statement areas like claims and final settlement of financial and operating creditors, carrying amount of property, plant and equipment, capital work in progress, intangible assets comprising of , including related disclosure requirements under the Act and respective Indian Accounting Standards.

We have designed, performed additional procedures, including verification of the source and completeness of data used by the management for making proper disclosures as required by the Act.

We have considered the basis of management judgment in making the disclosures taking into consideration the date of the financial statements, the facts and circumstances pertaining to the entity, and the conditions that existed at, or arose after, that date. We have considered all subsequent events and transactions to substantiate our conclusions on the appropriateness of management's disclosures in accordance with the requirements of the amendments.

We have audited the management's estimates required in the Consolidated financial statements, including but not limited to estimates related to expected credit loss, fair value of various assets taken over and liabilities assumed, inventory obsolescence, impairment of non-financial assets etc. by checking the reasonableness of underlying assumptions in making those key estimates.

We have carried out a detailed analysis of data and performed additional analytical procedures for validating the management's disclosures.

Emphasis of Matters

We draw attention to the following

(a) Note 40 to the consolidated financial statements regarding the fact that the Group has taken certain lands on lease for its operations in respect of which the lease agreement expired before the date of commencement of the Corporate Insolvency Resolution Process. We were informed that as part of the right to review the existing agreements, the Group has made a detailed assessment of the market rent for the property and the market value of the property for outright purchase. We were also informed that since the present rent as per erstwhile lease agreements is significantly high considering the market value of the property itself, the Group is in talks with the lessor for renewal of the lease with lower rent or for outright purchase of the property as part of the implementation of the resolution plan. However, no finality is reached on this matter as of date.

Pending completion of the negotiation and the uncertainties involved, the Group disputed the portion of the lease rent, considered to be excessive than the market rate as assessed by an independent valuer, amounting to INR 2,051.33 Lakhs upto to the year ended March 31, 2022 in respect of the aforesaid lease. The same has been treated as contingent liabilities in the consolidated financial statements of the Group.

Based on legal opinion obtained, the management is of the opinion that no liability will arise on completion of the negotiation; and

(b) Note 2 to the financial statements relating to "Estimation of uncertainties relating to the global health pandemic from COVID-19" which describes the uncertainties and the impact of Covid-19 pandemic on the Group's operations and results as assessed by the management.

Our opinion is not modified in respect of the above matters.

Information other than the financial statements and auditors' report thereon

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

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the Consolidated Financial Statements

The Group's management is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective board of directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Group's management is also responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial

Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirement

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

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

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

(c) The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated statement of changes in Equity and the consolidated cash flow statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements, subject to our comments in the basis for qualified opinion paragraph of our report;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;

(e) On the basis of the written representations received from the directors of the holding company as on March 31, 2022 taken on record by the Board of Directors of the holding company, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of section 197 of the Act; and

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

a. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note 40 to the consolidated financial statements;

b. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

d. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts,

i. no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities 'Intermediaries', with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group 'Ultimate Beneficiaries' or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

ii. no funds have been received by the Group from any person(s) or entity(ies), including foreign entities 'Funding Parties', with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party 'Ultimate Beneficiaries' or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

iii. Based on audit procedures carried out by us, that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

e. The Group has not declared or paid any dividends during the year and accordingly reporting on the compliance with section 123 of the Companies Act, 2013 is not applicable for the year under consideration.

For **CNGSN & ASSOCIATES LLP**
Chartered Accountants
Firm's Registration No. 004915S/ S200036

(CHINNSAMY GANESAN)
Partner
Membership No. 027501
UDIN: 22027501AIVWNW7072

Place: Chennai
Date: May 12, 2022

Annexure "A" to the Independent Auditors' Report

on the Consolidated Financial Statements

(Referred to in paragraph 1 (f) under 'Report on other Legal and Regulatory Requirements' section of our report to the Members of Orchid Pharma Limited of even date)

Report on the internal financial controls over financial reporting under clause (i) of sub - section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Orchid Pharma Limited ("the Holding Company") as at March 31, 2022, in conjunction with our audit of the Consolidated Financial Statements of the Group for the year ended on that date.

Management's responsibility for internal financial controls

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

Auditors' responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Group based on our audit. We conducted our audit in accordance with the Guidance Note and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance note require that we comply with ethical requirements and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of internal financial controls over financial reporting

A Group's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A Group's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorisations of management and directors of the Group; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Group's assets that could have a material effect on the Consolidated Financial Statements.

Inherent limitations of internal financial controls over financial reporting

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

Opinion

In our opinion and according to the information and explanations given to us, the Group has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **CNGSN & ASSOCIATES LLP**

Chartered Accountants
Firm Registration No.004915S/ S200036

(CHINNSAMY GANESAN)
Partner
Membership No. 027501
UDIN: 22027501AIVWNW7072

Place: Chennai
Date: May 12, 2022

Consolidated Balance Sheet as at March 31, 2022

(All amounts are in INR lakhs, except share data and unless otherwise stated)

₹ in Lakhs

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	58,336.55	67,007.68
Intangible assets	4	33.73	36.86
Capital work in progress	5	978.42	743.06
Financial assets			
Investments	6	4,549.08	40.44
Other financial assets	7	476.05	399.72
Other non current assets	8	1,693.84	511.74
Total non-current assets		**66,067.67**	**68,739.50**
Current assets			
Inventories	9	17,265.63	15,288.53
Financial assets			
Investments	10	-	1,502.08
Trade receivables	11	17,056.82	13,569.81
Cash and cash equivalents	12	430.66	1,569.39
Bank balances other than above	13	375.64	421.78
Loans	14	-	-
Other financial assets	15	0.14	7.07
Current tax assets (net)	16	5,255.39	5,445.99
Non current assets held for sale and disposal groups	17	1,328.97	12,085.19
Other current assets	18	3,275.33	5,095.87
Total current assets		**44,988.58**	**54,985.71**
Total Assets		**1,11,056.25**	**1,23,725.21**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	4,081.64	4,081.64
Other equity	20	60,656.35	61,209.14
Total equity		**64,737.99**	**65,290.78**

Consolidated Balance Sheet as at March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

₹ in Lakhs

	Notes	As at March 31, 2022	As at March 31, 2021
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	21	20,816.52	42,749.74
Provisions	22	1,101.29	1,153.89
Deferred Tax Liability	23	322.62	322.62
Total non-current liabilities		**22,240.43**	**44,226.25**
Current liabilities			
Financial liabilities			
Borrowings	24	5,978.84	2,524.26
Trade payables	25	16,768.30	10,995.24
Short term provisions	26	300.71	352.44
Other current liabilities	27	1,029.98	336.24
Total current liabilities		**24,077.83**	**14,208.18**
Total Liabilities		**46,318.26**	**58,434.43**
Total Equity and Liabilities		**1,11,056.25**	**1,23,725.21**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For CNGSN & Associates LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

Chinnsamy Ganesan
Partner
Membership No.027501

Place : Chennai
Date: May 12, 2022

For and on behalf of the board

Manish Dhanuka
Managing Director
DIN: 00238798

Arun Kumar Dhanuka
Non Executive Director
DIN: 00627425

Sunil Gupta
Chief Financial Officer
Place : Gurgaon
Date: May 12, 2022

K Nikita
Company Secretary

OrchidPharma
— A Dhanuka Group Company —

Statement of consolidated profit and loss for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

₹ in Lakhs

		Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Continuing Operations				
A	**Income**			
	Revenue from operations	28	55,955.74	45,006.04
	Other income	29	900.29	1,521.16
	Total income		**56,856.03**	**46,527.20**
B	**Expenses**			
	Cost of materials consumed	30	34,061.77	24,559.65
	Changes in inventories of finished goods and WIP	31	(2,705.83)	(1,709.38)
	Employee benefits expense	32	6,327.70	6,710.79
	Depreciation and amortisation expense	33	8,702.46	10,891.64
	Finance costs	34	3,201.17	5,133.56
	Other expenses	35	12,958.63	10,465.83
	Total expenses		62,545.90	56,052.09
C	**Loss before exceptional items and tax**		**(5689.87)**	**(9,524.89)**
	Exceptional items		-	-
D	**Loss before tax from continuing operations**		**(5689.87)**	**(9,524.89)**
	Income tax expense			
	Current tax		-	-
	Deferred tax charge/ (credit)		-	-
	Loss after tax from continuing operations		**(5689.87)**	**(9,524.89)**
Discontinuing Operations				
E	**Profit / (Loss) for the year from discontinued operations**		**5,847.02**	**(2,128.11)**
	Tax expense of discontinued operations		-	-
	Profit / (Loss) from discontinued operations after tax		**5,847.02**	**(2,128.11)**
	Loss for the year before share of profit of Associates		**157.15**	**(11,653.00)**
	Add: Share of loss of Associates		(352.27)	-
F	**Loss for the year**		**(195.12)**	**(11,653.00)**

Consolidated Balance Sheet as at March 31, 2022

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

₹ in Lakhs

		Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
G	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Remeasurement of post employment benefit obligations		146.39	59.85
	Gain/ (Loss) on fair valuation of investments		(4.09)	6.62
	Income tax (charge)/ credit relating to these items		-	-
	Other comprehensive income for the year, net of tax		**142.30**	**66.47**
Total comprehensive loss for the year			**(52.82)**	**(11,586.53)**
Earnings per share		38		
Basic earnings per share			(0.48)	(28.55)
Diluted earnings per share			(0.48)	(28.55)

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For CNGSN & Associates LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

Chinnsamy Ganesan
Partner
Membership No.027501

Place : Chennai
Date: May 12, 2022

For and on behalf of the board

Manish Dhanuka
Managing Director
DIN: 00238798

Arun Kumar Dhanuka
Non Executive Director
DIN: 00627425

Sunil Gupta
Chief Financial Officer
Place : Gurgaon
Date: May 12, 2022

K Nikita
Company Secretary

Statement of consolidated cash flows for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

₹ in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash Flow From Operating Activities		
Profit/ loss before income tax	(195.12)	(11,653.00)
Adjustments for		
Depreciation and amortisation expense	8,702.46	10,891.64
Depreciation and amortisation expense of discontinuing operations	-	756.54
(Profit)/ loss on sale of fixed assets	(0.04)	6.50
Profit on sale of Non current assets held for sale included in discontinuing operations	(8,866.86)	-
Interest income	(41.88)	(73.26)
Unrealised forex (gain)/ loss	14.00	561.67
Allowance for expected credit loss	366.73	132.80
Finance costs	3,201.17	5,133.56
Share of loss from associates under equity method	352.27	-
Fair valuation (Gain)/ Loss on investments	-	(90.10)
(Profit) / loss on sale of investments	(51.24)	(104.08)
	3,481.49	5,562.27
Change in operating assets and liabilities		
(Increase)/ decrease in Other financial assets	1,169.34	(326.82)
(Increase)/ decrease in inventories	253.69	(3,349.85)
(Increase)/ decrease in trade receivables	(2,291.94)	(8,202.48)
(Increase)/ decrease in Other assets	1,438.18	6,733.40
Increase/ (decrease) in provisions and other liabilities	651.03	(343.25)
Increase/ (decrease) in trade payables	4,736.27	1,793.05
Cash generated from operations	**9,438.06**	**1,866.32**
Add : Income taxes received (net of payments)	(190.60)	492.28
Net cash from operating activities (A)	**9,247.46**	**2,358.60**
Cash Flows From Investing Activities		
Purchase of Property, plant and equipment (including changes in CWIP)	(1,440.35)	(60.40)
Sale proceeds of Property, plant and equipment	9.89	28.64
Net Sale proceeds of IKKT Undertaking	15,940.81	
(Purchase)/ disposal proceeds of Investments	1,238.32	(1,307.90)
Investment in equity share of associate companies	(4,550.00)	-
(Investments in)/ Maturity of fixed deposits with banks	46.14	7,993.10
Interest received	48.81	67.07
Net cash used in investing activities (B)	**11,293.62**	**6,720.51**

Statement of consolidated cash flows for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

₹ in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash Flows From Financing Activities		
Proceeds from Borrowings	1,999.88	-
Repayment of Borrowings (net)	(20,478.52)	(12,508.00)
Finance costs	(3,201.17)	(3,990.87)
Net cash from/ (used in) financing activities (C)	**(21,679.81)**	**(16,498.87)**
Net increase/decrease in cash and cash equivalents (A+B+C)	**(1,138.73)**	**(7,419.76)**
Cash and cash equivalents at the beginning of the financial year	1,569.39	8,989.15
Cash and cash equivalents at end of the year	**430.66**	**1,569.39**
Notes:		
1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".		
2. Components of cash and cash equivalents		
Balances with banks		
- in current accounts	427.20	395.03
- in fixed deposit with original maturity of less than 3 months	-	1,170.00
Cash on hand	3.46	4.36
	430.66	**1,569.39**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For CNGSN & Associates LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

Chinnsamy Ganesan
Partner
Membership No.027501

Place : Chennai
Date: May 12, 2022

For and on behalf of the board

Manish Dhanuka
Managing Director
DIN: 00238798

Arun Kumar Dhanuka
Non Executive Director
DIN: 00627425

Sunil Gupta
Chief Financial Officer
Place : Gurgaon
Date: May 12, 2022

K Nikita
Company Secretary

Statement of Consolidated Changes in Equity for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

(A) Equity Share Capital

Balance at the end of April 1, 2020	**4,081.64**
Changes in equity share capital due to prior period errors	-
Changes in equity share capital during the year	-
Balance at the end of March 31, 2021	**4,081.64**
Changes in equity share capital due to prior period errors	-
Changes in equity share capital during the year	-
Balance at the end of March 31, 2022	**4,081.64**

(B) Other Equity (attributable to the owners of Orchid Pharma Limited)

₹ in Lakhs

Particulars	Capital Reserve	Capital Reserve on Amalgamation	Securities Premium Reserve	Equity component of Optionally convertible debentures	General Reserve	Foreign Currency Fluctuation Reserve	Other Comprehensive Income	Profit and Loss Account	Total
Balance as at April 1,2020	5,105.69	1,63,125.58	46,447.86	6,856.06	55,851.90	14,932.69	(12.22)	(2,19,790.72)	72,516.84
Income/ (loss) for the year	-	-	-	-	-	-	66.47	(11,653.00)	(11,586.53)
Changes due to prior period errors	-	-	-	-	-	-	-	-	-
Additions/ (deductions) during the year	-	-	-	-	-	278.83	(59.85)	59.85	278.83
Balance as at March 31, 2021	**5,105.69**	**1,63,125.58**	**46,447.86**	**6,856.06**	**55,851.90**	**15,211.52**	**(5.60)**	**(2,31,383.87)**	**61,209.14**
Income/ (loss) for the year	-	-	-	-	-	-	142.30	(195.12)	(52.82)
Changes due to prior period errors	-	-	-	-	-	-	-	-	-
Additions/ (deductions) during the year	-	-	-	-	-	(499.97)	(146.39)	146.39	(499.97)
Balance as at March 31, 2022	**5,105.69**	**1,63,125.58**	**46,447.86**	**6,856.06**	**55,851.90**	**14,711.55**	**(9.69)**	**(2,31,432.60)**	**60,656.35**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For CNGSN & Associates LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

Chinnsamy Ganesan
Partner
Membership No.027501

Place : Chennai
Date: May 12, 2022

For and on behalf of the board

Manish Dhanuka
Managing Director
DIN: 00238798

Arun Kumar Dhanuka
Non Executive Director
DIN: 00627425

Sunil Gupta
Chief Financial Officer
Place : Gurgaon
Date: May 12, 2022

K Nikita
Company Secretary

Notes to Consolidated Financial Statements for the year ended March 31, 2022

1 **Corporate Information**

The Consolidated Financial Statements comprise financial statements of "Orchid Pharma Limited" ("the Holding Company") and its subsidiaries and associate (collectively referred to as "the Group") for the year ended March 31, 2022.

Orchid Pharma Ltd., is one of the leading pharmaceutical companies in India head quartered in Chennai and involved in the development, manufacture and marketing of diverse bulk actives, formulations and nutraceuticals with exports spanning over 40 countries. Orchid's world class manufacturing infrastructure include USFDA compliant API and Finished Dosage Form facilities at Chennai in India. Orchid has dedicated state-of-art and GLP compliant R&D infrastructure for Process research, Drug Discovery and Pharmaceutical research at Chennai, India. Orchid has ISO 14001 and OHSAS 18001 certifications. Orchid's Equity shares are listed on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE) in India.

According to the Resolution Plan approved by the Hon'ble National Company Law Tribunal (NCLT) has, by its order dated June 27, 2019 and the order of the Hon'ble Supreme Court vide its order dated February 28, 2020, Dhanuka Laboratories Limited (DLL), the successful Resolution Applicant, implemented the resolution plan on March 31, 2020.

DLL infused the funds as per the terms of the resolution plan through a special purpose vehicle, Dhanuka Pharmaceuticals Private Limited. The special purpose vehicle was later on merged with the Company as per the terms of the approved resolution plan. Thus the holding company became a subsidiary of M/s Dhanuka Laboratories Limited with effect from March 31, 2020.

The Group has invested in the following subsidiary companies :

a) Orchid Europe Limited, a company formed in the United Kingdom initially to market nutraceuticals through mail order/ direct marketing in the United Kingdom and Europe.

b) Bexel Pharmaceuticals Inc., USA engaged in Pharmaceutical research and development.

c) Orchid Pharmaceuticals Inc., USA to provide services in USA. It has a wholly owned subsidiaries "Orgenus Pharma Inc, USA" which provides services in USA and "Orchid Pharma Inc./Karalex Pharma, USA" which sells pharmaceutical products in USA.

d) Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa to register and market formulations in South Africa.

e) Diakron Pharmaceuticals Inc., USA engaged in Pharmaceutical research and development.

During the year, the Group has also invested in M/s Orbion Pharmaceuticals Private Limited, an associate Group.

2 **Basis of preparation of financial statements**

Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act')(to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended from time to time.

Basis of preparation and presentation

The Consolidated Financial Statements comprises of Orchid Pharma Limited and all its subsidiaries, being the entities that it controls. Control is assessed in accordance with the requirement of Ind AS 110 - Consolidated Financial Statements. The investment in associate is consolidated using equity methods as per Ind AS 28

Principles of Consolidation

a) The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.

c) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve (FCTR).

d) Goodwill represents the difference between the Group's share in the net worth of subsidiaries and the cost of acquisition at each point of time of making the investment in the subsidiaries.

e) The unaudited financial statements of foreign subsidiaries have been prepared by the management in accordance with the generally accepted accounting principles of its country of incorporation and restated to Ind AS for consolidation purposes.

f) The differences in accounting policies of the Holding Company and its subsidiaries/ associates are not material and there are no material transactions from January 1, 2022 to March 31, 2022 in respect of subsidiaries/ having financial year ended December 31, 2021.

g) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

h) The carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary.

i) In respect of investments in associate company, the Group has applied equity method for consolidation of its interest in the associate.

Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Estimation of uncertainties relating to the global health pandemic from COVID-19

The Group has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. The Group continues to evaluate them as highly probable considering the orders in hand. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of the financial results. The Group will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Group's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals).

The financial statements are approved for issue by the Group's Board of Directors on May 12, 2022.

2A Critical accounting estimates and management judgments

In application of the accounting policies, which are described in note 3, the management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Property, Plant and Equipment (PPE) and Intangible Assets

The residual values and estimated useful life of PPEs and Intangible Assets are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred Tax Assets

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained/ recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment of Trade Receivables

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

Impairment of Non-financial assets (PPE/ Intangible Assets)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined Benefit Plans and Other long term employee benefits

The cost of the defined benefit plan and other long term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

2B Recent accounting pronouncements

Amendments to Ind AS 116 - Leases

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. The relief was originally limited to reduction in lease payments that were due on or before June 30, 2021. However, it was subsequently extended to June 30, 2022.

New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 1, 2022.

Ind AS 16, Property, Plant and Equipment

The amendment clarifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

The amendment explains that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

Ind AS 103, Business combinations

The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

Ind AS 109, Financial Instruments

The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

Ind AS 41, Agriculture

The amendment removes the requirement in Ind AS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113, Fair Value Measurement.

The Group has evaluated the above amendments and concluded that they will have no significant impact on the Group on a go forward basis.

3 Significant Accounting Policies

a) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle

ii) Held primarily for the purpose of trading

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

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

All other assets are classified as non-current.

A liability is current when:

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

ii) It is held primarily for the purpose of trading

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

iv) There is no unconditional right to 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 liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified 12 months as its operating cycle for the purpose of classification of its assets and liabilities as current and non-current.

b) Fair value measurement

The Group has applied the fair value measurement wherever necessitated at each reporting period.

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 the asset or liability;

ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non - financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising 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 market 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; and

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

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

The Group has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Group's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

Notes to Consolidated Financial Statements for the year ended March 31, 2022

c) **Revenue Recognition**

Sale of goods

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when the customer obtains control of that asset., which generally coincides with the despatch of the goods or as per the inco-terms agreed with the customers.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. It comprises of invoice value of goods including excise duty and after deducting discounts, volume rebates and applicable taxes on sale. It also excludes value of self-consumption.

Significant financing component

Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised goods or services to the customer and when the customer pays for that goods or services will be one year or less.

Export entitlements

In respect of the exports made by the Group, the related export entitlements from Government authorities are recognised in the statement of profit and loss when the right to receive the incentives/ entitlements as per the terms of the scheme is established and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Interest Income

Interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend income

Dividend income is recognized when the Group's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

d) **Property, plant and equipment and capital work in progress**

Presentation

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under long term loans and advances and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

Component Cost

All material/ significant components have been identified and have been accounted separately. The useful life of such component are analysed independently and wherever components are having different useful life other than plant they are part of, useful life of components are considered for calculation of depreciation.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Machinery spares/ insurance spares that can be issued only in connection with an item of fixed assets and their issue is expected to be irregular are capitalised. Replacement of such spares is charged to revenue. Other spares are charged as revenue expenditure as and when consumed.

Derecognition

Gains or losses arising from derecognition of property, plant and equipment 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 asset is derecognized.

e) Depreciation on property, plant and equipment

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value.

Depreciation is provided on straight line method, over the useful lives specified in Schedule II to the Companies Act, 2013, except in respect of certain assets, where useful life estimated based on internal assessment and/or independent technical evaluation carried out by external valuer, past trends and differs from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/ sold. Additions to fixed assets, costing Rs.5000 each or less are fully depreciated retaining its residual value.

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

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of a separately acquired intangible asset comprises (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and (b) any directly attributable cost of preparing the asset for its intended use.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Drug Master Files ("DMF") and Abbreviated New Drug Applications ("ANDA") costs represent expenses incurred on development of processes and compliance with regulatory procedures of the US FDA, in filing DMF and ANDA, in respect of products for which commercial value has been established by virtue of third party agreements/ arrangements.

Useful life and amortisation of intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. 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.

The cost of each DMF/ ANDA (self generated intangible assets) is amortised to the extent of recovery of developmental costs applicable as per terms of the agreement or over a period of 5 years from the date on which the product covered by DMF/ANDA is commercially marketed, which ever is earlier.

Subsequent cost and measurement

Subsequent costs are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally-generated intangibles, are recognised in the statement of profit and loss as incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

g) Inventories

Inventories are carried at the lower of cost or net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition, cost being determined based on weighted average method.

In respect of work-in-progress, intermediaries and finished goods, cost also includes the variable and fixed overhead incurred for bringing the inventory to present location and conditions.

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

h) Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. However, 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 are also added to the cost of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

Financial assets are classified into the following categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

The Group classifies a debt instrument as at amortised cost, if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

The Group classifies a debt instrument at FVTOCI, if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes finance income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

The Group classifies all debt instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

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

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Group makes an irrevocable election of classifying the equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in OCI, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

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

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents SPPI, are measured as detailed below depending on the business model:

Classification	Name of the financial asset
Amortised cost	Trade receivables, Loans given to employees and others, deposits, interest receivable and other advances recoverable in cash.
FVTOCI	Equity investments in companies other than subsidiaries and associates if an option exercised at the time of initial recognition.
FVTPL	Other investments in equity instruments

Derecognition

A financial asset is primarily derecognised when:

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

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

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

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, receivables and bank balance.

b) Financial assets that are debt instruments and are measured at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 "Revenue from contract with Customers".

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116 "Leases"

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a 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 entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Group considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL 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 profit and loss. The balance sheet presentation of ECL for various financial instruments is described below:

- **Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:** ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- **Debt instruments measured at FVTOCI:** Since financial assets are already reflected at fair value,

impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done on the following basis:

Name of the financial asset	Impairment Testing Methodology
Trade Receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a 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 entity reverts to recognising impairment loss allowance based on 12 month ECL.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

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

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

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair

Notes to Consolidated Financial Statements for the year ended March 31, 2022

value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Classification	Name of the financial liability
Amortised cost	Borrowings, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits and other financial liabilities not for trading.
FVTPL	Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

Loans and borrowings

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

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at higher of (i) The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 "Financial Instruments" and (ii) The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115 "Revenue from contract with Customers".

Derecognition of financial liabilities

A financial liability is derecognised 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 modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

S.No	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
2	FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
3	Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
4	FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
5	FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
6	FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Financial 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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

i) Foreign currency transactions and translations

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rates at the date at which the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or 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. The gain or loss arising on translation of non-monetary items measured at fair value 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 recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The Group enters into forward exchange contract to hedge its risk associated with foreign currency fluctuations. The premium or discount arising at the inception of a forward exchange contract is amortized as expense or income over the life of the contract. In case of monetary items which are covered by forward exchange contract, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference. Any profit or loss arising on cancellation of a forward exchange contract is recognized as income or expense for that year.

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the Consolidated Statement of Profit and Loss. However when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

j) Borrowing Costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Group determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Group which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Group capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

k) Government grants

Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.

In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other operating revenue" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets". Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets".

Government grants related to assets, including non-monetary grants at fair value, shall be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset.

l) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. 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.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Group will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Group during the specified period. The Group reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Group will pay normal Income tax during the specified period.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred 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. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

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 assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

m) Retirement and other employee benefits

Short-term employee benefits

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined 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.

Compensated absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date.

Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Other long term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by the employees up to the reporting date.

n) Leases

The Group has adopted Ind AS 116 "Leases" as notified by MCA as on March 30, 2019. The MCA via this notification requires all entities to apply Ind AS 116 from Accounting period April 01, 2019. The entity has elected the "modified retrospective" approach for adopting Ind AS 116 and hence the comparative information relating to prior years will not be restated.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

a) Initial measurement

Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid. Right-of-use asset is recognized and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of restoration costs and any initial direct costs incurred by the lessee.

b) Subsequent measurement

The lease liability is measured in subsequent periods using the effective interest rate method. Right-of-use asset is depreciated in accordance with requirements in Ind AS 16, Property, Plant and equipment. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. However, Ind AS 116 provides the lessee with the option to recognise a low value asset or a short term lease (12 months of lesser) as an expense in the statement of profit and loss on a straight-line basis or any other systematic approach as adopted by the entity.

o) Impairment of non financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When 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.

p) Provisions, contingent liabilities and contingent asset

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and 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.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made, if realisation of money is doubtful in the judgement of the management.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

Contingent assets

Where an inflow of economic benefits is probable, the Group discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

Contingent assets are disclosed but not recognised in the financial statements.

q) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

r) Cash Flow Statement

Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

s) Non current assets held for sale and disposal groups

The Group classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Immediately before the initial classification of the asset (or disposal group) as held for sale, the carrying amounts of the asset (or all the assets and liabilities in the group) shall be measured in accordance with applicable Ind ASs.

The Group measures a non-current asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less costs to sell. The Group does not depreciate (or amortise) a non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale shall continue to be recognised.

t) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

(All amounts are in INR lakhs, except share data and unless otherwise stated)

4 Property, plant and equipment

Particulars	Tangible Assets												
	Freehold Land & Site Development	Leasehold Land	Buildings	Plant and Machinery	Furniture and Fittings	Vehicles	Office Equipment	Factory Equipment	Laboratory Equipment	Total	Internally generated DMF and ANDA	Computer Software	Total
Cost as at April 1, 2020	**2,536.65**	**52.83**	**16,782.28**	**1,00,979.83**	**256.23**	**11.85**	**3.42**	**387.23**	**1,478.78**	**1,22,489.10**	**2,158.16**	**63.96**	**2,222.12**
Additions	-	-	-	338.40	-	-	1.27	24.96	1.18	365.81	-	25.20	25.20
Disposals	-	-	-	(1.14)	-	(1.87)	(1.19)	(0.39)	(0.64)	(5.23)	-	(29.90)	(29.90)
Classified as non current assets held for sale	(1,308.53)	(52.22)	(2,388.51)	(2,268.69)	(28.95)	-	(0.02)	(85.02)	(174.25)	(6,306.19)	(1,145.25)	(5.20)	(1,150.45)
Cost as at March 31, 2021	**1,228.12**	**0.61**	**14,393.77**	**99,048.40**	**227.28**	**9.98**	**3.48**	**326.78**	**1,305.07**	**1,16,543.49**	**1,012.91**	**54.06**	**1,066.97**
Additions	-	-	-	38.05	-	-	-	-	-	38.05	-	-	-
Disposals	-	-	-	(9.85)	-	-	-	-	-	(9.85)	-	-	-
Cost as at March 31, 2022	**1,228.12**	**0.61**	**14,393.77**	**99,076.60**	**227.28**	**9.98**	**3.48**	**326.78**	**1,305.07**	**1,16,571.69**	**1,012.91**	**54.06**	**1,066.97**
Depreciation/Amortisation													
As at April 1, 2020	**-**	**0.61**	**2,333.11**	**34,691.88**	**142.35**	**3.69**	**1.65**	**88.63**	**856.94**	**38,118.86**	**784.86**	**14.02**	**798.88**
Charge for the year	-	-	793.73	10,421.68	24.46	-	1.83	38.57	136.68	11,416.95	228.05	3.18	231.23
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	**-**	**0.61**	**3,126.84**	**45,113.56**	**166.81**	**3.69**	**3.48**	**127.20**	**993.62**	**49,535.81**	**1,012.91**	**17.20**	**1,030.11**
Charge for the year	-	-	711.36	7,939.00	3.01	-	-	18.14	27.82	8,699.33	-	3.13	3.13
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	**-**	**0.61**	**3,838.20**	**53,052.56**	**169.82**	**3.69**	**3.48**	**145.34**	**1,021.44**	**58,235.14**	**1,012.91**	**20.33**	**1,033.24**
Net Block													
As at March 31, 2021	1,228.12	-	11,266.93	53,934.84	60.47	6.29	-	199.58	311.45	67,007.68	-	36.86	36.86
As at March 31, 2022	1,228.12	-	10,555.57	46,024.04	57.46	6.29	-	181.44	283.63	58,336.55	-	33.73	33.73

Notes :

1. The title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the respective companies in the group as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the respective companies in the group.In respect of assets given as collateral for loans taken from banks, the title deeds are in the custody of the respective banks.
2. The Group has not revalued its property, plant and equipment (including right-of-use asset) during the year, since the Group has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.
3. No depreciation has been considered in respect of vehicles and office equipments as the assets have reached their residual value as per Schedule II to the Companies Act, 2013.
4. The Group has not revalued its intangible asset, since the Group has adopted cost model as its accounting policy to an entire class of Intangible Asset in accordance with Ind AS 38.

(All amounts are in INR lakhs, except share data and unless otherwise stated)

₹ in Lakhs

	Particulars	As at March 31, 2022	As at March 31, 2021
5	**Capital Work-in-progress**		
	Property, plant and equipment under development	978.42	743.06
		978.42	**743.06**
	Refer Note 47 (a) for aging schedule of Capital work in progress		
	Refer Note 47 (b) for information relating to estimated completion schedule of Capital work in progress.		
6	**Non-current investments**		
	Non Trade		
	Investments in companies other than subsidiaries, associates and joint ventures at FVTOCI		
	i. Investments in Equity Instruments (Quoted)		
	18,600 equity shares (previous year 18,600) of Rs.10 each in Bank of India Limited, fully paid up	8.53	12.62
	ii. Investments in Equity Instruments (Unquoted)		
	6,00,000 equity shares of Rs. 10 each in Sai Regency Power Corporation Private Limited, fully paid up	60.00	60.00
	31,50,000 equity shares of Rs.10 each Investment in Nellai Renewables Private Limited, fully paid up	315.00	-
	1,19,568 equity shares of Rs.10 each in MSE Financial Services Limited, fully paid up *	23.99	23.99
	8,823 equity shares of Rs.1/- each allotted in Madras Enterprises Private Limited *	3.83	3.83
	Investments in Equity Instruments of Associate (Unquoted) at cost		
	4,55,00,000 equity share of Rs.10 /- each in Orbion Pharmaceuticals private limited	4,197.73	-
		4,609.08	100.44
	Less: Provision for diminution in value of investments	(60.00)	(60.00)
		4,549.08	**40.44**
	* Pursuant to the Scheme of Arrangement of MSE Financial Services Ltd and SRT Ascendancy Solutions Private Ltd with Madras Enterprises Ltd, 2.60 shares of Madras Enterprises Ltd have been allotted for every one share held in MSE Financial Services Ltd.		

Notes to the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts are in INR lakhs, except share data and unless otherwise stated)

₹ in Lakhs

	Particulars	As at March 31, 2022	As at March 31, 2021
	Total non-current investments		
	Aggregate value of quoted investments	8.53	12.62
	Aggregate market value of quoted investments	8.53	12.62
	Aggregate value of unquoted investments	4,600.55	87.82
	Aggregate amount of impairment in value of investments	60.00	60.00
7	**Other non-current financial assets**		
	(Unsecured, considered good)		
	Deposits for Electricity and Power	460.69	392.24
	Fixed deposits with banks (maturing after 12 month from the reporting date)	0.74	1.33
	Other Deposits	14.62	6.15
	(Unsecured, considered doubtful)		
	Others	202.66	202.66
	Less : Provision for expected credit loss	(202.66)	(202.66)
		476.05	**399.72**
	Note : The Group has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The loans given to certain parties during the pre-CIRP period have been fully provided for.		
8	**Other non-current assets**		
	(Unsecured, considered good)		
	Capital Advances	1,166.94	-
	Advances to suppliers	526.90	511.74
	(Unsecured, considered doubtful)		
	Advances to suppliers	15,333.30	15,333.30
		17,027.14	15,845.04
	Less: Provision for expected credit loss	(15,333.30)	(15,333.30)
		1,693.84	**511.74**

Note : The Group has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The loans given to certain parties during the pre-CIRP period have been fully provided for.

₹ in Lakhs

	Particulars	As at March 31, 2022	As at March 31, 2021
9	**Inventories**		
	Raw Materials	4,283.13	3,659.38
	Intermediates & Work-in-progress	6,907.63	5,556.29
	Finished Goods	5,484.49	5,380.86
	Stores and Spare parts	152.44	143.99
	Chemicals and Consumables	201.52	200.76
	Packing Materials	236.42	347.25
		17,265.63	**15,288.53**
	Note: The Group has physically verified the inventories at reasonable intervals and there are no discrepancies of 10% or more in the aggregate for each class of inventory were noticed during such verification.		
10	**Current Investments**		
	Fair valued through profit and loss		
	Investment in Mutual Funds	-	1,502.08
		-	**1,502.08**
11	**Trade receivables**		
	Trade Receivables considered good - Secured	-	-
	Trade Receivables considered good - Unsecured	17,056.82	13,569.81
	Trade Receivables which have significant risk increase in credit risk	-	-
	Trade Receivables credit impaired	8,094.87	6,722.06
		25,151.69	20,291.87
	Less: Allowance for expected credit loss	(8,094.87)	(6,722.06)
		17,056.82	13,569.81
	Note: Trade receivables are neither due from directors or other officers of the Group either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member, except to the extent disclosed in Note 49 relating to amounts receivable from related parties.		
	Refer Note 44 for information about risk profile of Trade Receivables under Financial Risk Management.		
	Refer Note 47 (c) for the ageing schedule of Trade Receivables.		
12	**Cash and cash equivalents**		
	Cash on hand	3.46	4.36
	Balances with banks		
	In current accounts	427.20	395.03
	In fixed deposits (having original maturity of less than 3 months)	-	1,170.00
		430.66	**1,569.39**

Notes to the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts are in INR lakhs, except share data and unless otherwise stated)

₹ in Lakhs

Particulars		As at March 31, 2022	As at March 31, 2021
13	**Other Bank Balances**		
	In Fixed Deposits with banks (maturing within 12 months from the reporting date)	0.59	80.00
	In earmarked accounts		
	Escrow Accounts	323.60	341.78
	Fractional Shares Payable Bank Account	51.45	-
		375.64	**421.78**
14	**Loans**		
	(Unsecured, considered doubtful)		
	Loans to related parties	99.25	99.25
		99.25	99.25
	Less : Allowance for expected credit loss	(99.25)	(99.25)
		-	-
	Note : The Group has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The loans given to other related parties during the pre-CIRP period have been fully provided for.		
15	**Other current financial assets**		
	(Unsecured, considered good)		
	Interest accrued on deposits	0.14	7.07
		0.14	**7.07**
16	**Current tax assets**		
	Advance income tax (net of provision for tax)	5,255.39	5,445.99
		5,255.39	**5,445.99**
17	**Non current assets held for sale**		
	IKKT Undertaking	-	9,864.82
	Leasehold land at Vishakhapatnam	-	891.40
	Other buildings	1,328.97	1,328.97
		1,328.97	**12,085.19**

(All amounts are in INR lakhs, except share data and unless otherwise stated)

₹ in Lakhs

Particulars		As at March 31, 2022	As at March 31, 2021
18	**Other current assets**		
	Advance recoverable in cash or in kind		
	Advance to suppliers	305.93	598.63
	Prepaid expenses	711.76	256.62
	MEIS license scrips entitlement	588.70	698.58
	Balances with Statutory Authorities	1,645.15	3,517.97
	Other deposits	12.82	12.92
	Employees Advances	10.97	11.15
		3,275.33	5,095.87
	(Unsecured, considered doubtful)		
	Advances to Suppliers	29.75	-
	Less : Allowance for expected credit loss	(29.75)	-
		3,275.33	**5,095.87**
	Note :The Group has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The advances given to certain suppliers during the pre-CIRP period have been fully provided for.		
19	**Equity Share Capital**		
	Authorised Share Capital		
	15,00,10,000 (Previous year 15,00,10,000) Equity shares of Rs. 10 each*	15,010.00	15,010.00
		15,010.00	**15,010.00**
	* The authorised share capital of the Company has increased by 10,000 shares of Rs.10 each pursuant to a scheme of amalgamation. However, the same is yet to be updated in the records of the registrar of companies. The Company is closely following it up for regularisation.		
	Issued Share Capital		
	4,08,16,400 (Previous year 4,08,16,400) Equity shares of Rs. 10 each	4,081.64	4,081.64
		4,081.64	**4,081.64**
	Subscribed and fully paid up share capital		
	4,08,16,400 (Previous year 4,08,16,400) Equity shares of Rs. 10 each	4,081.64	4,081.64
		4,081.64	**4,081.64**
Notes			
a	**Reconciliation of number of equity shares subscribed**		
	Balance at the beginning and end of the period (Nos)	**4,08,16,400**	**4,08,16,400**

Notes to the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts are in INR lakhs, except share data and unless otherwise stated)

₹ in Lakhs

(b) **Shareholders holding more than 5% of the total share capital**

Name of the share holders	March 31, 2022		March 31, 2021	
	No of shares	%	No of shares	%
Dhanuka Laboratories Limited (holding company)*	3,67,19,957	89.96	4,00,00,072	98.00

* The successful resolution applicant of a listed company in the case of a Corporate Insolvency Resolution Process is required to increase the public holding to at least 25% within three years from the date of implementation of the approved resolution plan (i.e., on or before March 31, 2023). The Group is taking the necessary steps to achieve the required threshold limits.

(c) **Shares held by promoters at the end of the year**

Name of the share holders	March 31, 2022		
	No of shares	%	% of Change
Dhanuka Laboratories Limited (holding company)*	3,67,19,957	89.96	8.04

(d) **Rights, preferences and restrictions in respect of equity shares issued by the Company**

The Group has only one class of equity shares having a par value of Rs.10 each. The equity shares of the Group having par value of Rs.10/- rank pari-passu in all respects including voting rights and entitlement to dividend. The dividend proposed if any, by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year, the Group has not proposed any dividend.

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
20 Other Equity		
Capital Reserve	5,105.69	5,105.69
Capital Reserve on Amalgamation	1,63,125.58	1,63,125.58
Securities Premium Reserve	46,447.86	46,447.86
Equity component of Optionally convertible debentures	6,856.06	6,856.06
General Reserve	55,851.90	55,851.90
Foreign Currency Fluctuation Reserve	14,711.55	15,211.52
Other Comprehensive Income	(9.69)	(5.60)
Profit and Loss Account	(2,31,432.60)	(2,31,383.87)
	60,656.35	**61,209.14**
a) Capital reserve		
Balance at the beginning and end of the year	**5,105.69**	**5,105.69**
Capital reserve was created in the earlier years in respect of business acquired by the Group. The Group can use this reserve for issuing fully paid up Bonus shares.		
b) Capital Reserve on Amalgamation		
Balance at the beginning and end of the year	**1,63,125.58**	**1,63,125.58**
Capital reserve on Amalgamation was created in the earlier years as per approved resolution plan on the amalgamation of the special purpose vehicle with the Group. The Group can use this reserve for issuing fully paid up Bonus shares.		

Notes to the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts are in INR lakhs, except share data and unless otherwise stated)

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
c) Securities Premium Reserve		
Balance at the beginning and end of the year	**46,447.86**	**46,447.86**
Securities Premium was credited when shares are issued at a premium. The Group can use this reserve to issue bonus shares, to provide for premium on redemption of shares or debentures, preliminary expenses and the commission paid or discount allowed on any issue of shares or debentures of th Group		
d) Equity component of Optionally convertible debentures		
Balance at the beginning and end of the year	**6,856.06**	**6,856.06**
This represents the equity component accounted as per split accounting prescribed for compound financial instruments under Ind AS 109 "Financial Instruments". This will be available as free reserves once the Group completed the conversion of the debentures into equity.		
e) General Reserve		
Balance at the beginning and end of the year	**55,851.90**	**55,851.90**
General Reserve represents the statutory reserve in accordance with Companies Act, 2013 wherein a portion of profit is apportioned to general reserve. This is a free reserve and the Group can use it for declaration of dividends, subject to the conditions prescribed by the Companies Act, 2013.		
f) Foreign Currency Fluctuation Reserve		
Balance at the beginning of the year	15,211.52	14,932.69
Additions/ (deductions) during the year	(499.97)	278.83
Balance at the end of the year	**14,711.55**	**15,211.52**
Foreign Currency Fluctuation Reserve represents the cumulative impact of translating the financial statements of foreign subsidiaries. The same will be reclassified to the profit and loss account on disposal of investments in those subsidiaries in accordance with Ind AS 21.		
g) Other Comprehensive Income		
Balance at the beginning of the year	(5.60)	(12.22)
Additions during the year	142.30	66.47
Deductions/Adjustments during the year	(146.39)	(59.85)
Balance at the end of the year	**(9.69)**	**5.60)**
Other comprehensive income represents the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The Group has opted to recognise the changes in the fair value of certain investments in equity instruments and remeasurement of defined benefit obligations in OCI. The Group transfers amounts from this reserve to Retained Earnings in case of actuarial loss / gain and in case of fair value recognition of equity instrument, the same will be transferred when the respective equity instruments are derecognised.		

Notes to the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts are in INR lakhs, except share data and unless otherwise stated)

₹ in Lakhs

	Particulars	As at March 31, 2022	As at March 31, 2021
	h) Retained Earnings		
	Balance at the beginning of the year	(2,31,383.87)	(2,19,790.72)
	Net loss for the year	(195.12)	(11,653.00)
	Transfer from Other Comprehensive Income	146.39	59.85
	Balance at the end of the year	**(2,31,432.60)**	**(2,31,383.87)**
	Retained Earnings represent the undistributed profits/ accumulated losses of the Group remaining after transfer to other Reserves.		
21	**Long Term Borrowings**		
	Secured		
	From Banks		
	Rupee Term Loans	-	6,400.00
	Foreign Currency term Loans	14,778.80	-
	Unsecured		
	0% Optionally Convertible Debentures	9,732.42	8,589.74
		24,511.22	44,989.74
	Less: Current maturities of long term borrowings (refer note 24)	(3,694.70)	(2,240.00)
		20,816.52	**42,749.74**
	Note :		
	The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.		
	Registration, Modification and Satisfaction of charges relating to the year under review, had been filed with the ROC, within the prescribed time or within the extended time requiring the payment of additional fees		
	Refer Note 43 for repayment terms and security details		
	The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.		
	Refer Note No. 44 for information about risk profile of borrowings under Financial Risk Management.		
22	**Provisions** (Non-current)		
	Provision for Employee Benefits		
	Gratuity	868.56	881.28
	Compensated absences	232.73	272.61
		1,101.29	**1,153.89**

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
23 Deferred Tax Asset / (Liability) - Net		
Deferred Tax Liability		
On Property, plant and equipment	8,283.47	14,933.97
On Others	322.62	322.62
	8,606.09	15,256.59
Deferred Tax Asset		
On unabsorbed tax depreciation	8,283.47	14,933.97
	8,283.47	14,933.97
Net deferred tax asset / (liability)	**(322.62)**	**(322.62)**
Note: In view of carry forward tax losses, the recognition of deferred tax asset has been scaled down to the extent of deferred tax liability		
24 Current liabilities - Borrowings		
Secured		
Working Capital Facilities / Borrowings	2,284.14	284.26
Current maturities of long term borrowings (refer note 21)	3,694.70	2,240.00
	5,978.84	**2,524.26**
* Refer Note 43 for repayment terms and security details		

Note: Short term Borrowings (other than Current maturities of Long term borrowings) are secured by way of first pari passu hypothecation charge on trade receivables and inventories of the Group, present and future. The quarterly returns or statements filed by the Group with the banks or financial institutions are in agreement with the books of accounts, except in the following cases

Quarter ended	As per financials	As per returns filed with banks	Difference	Reason
June 30, 2021	Not submitted to Bank as there is no working capital limit during Q1			
September 30, 2021	18,644.90	18,848.69	(203.79)	The difference is mainly due to estimated over head rate considered while valuing WIP and FG given to the bank and the actual over head rate finalised on completion of limited review of the quarterly results. Also the bank stock statement does not include R&D Stock (INR 1.29 Cr)
December 31, 2021	17,665.14	17,452.51	212.63	The difference is mainly due to estimated over head rate considered while valuing WIP and FG given to the bank and the actual over head rate finalised on completion of limited review of the quarterly results. Also the bank stock statement does not include R&D Stock (INR 1.18 Cr)
March 31, 2022	17,265.63	16,409.97	855.66	The difference is mainly due to estimated over head rate considered while valuing WIP and FG given to the bank and the actual over head rate finalised on completion of the audit of the quarterly results. . The bank stock statement does not include R&D Stock (1.18 Cr). Provision for non moving stock created in Q4 - INR 0.54 Cr which was not included in the statement given to the bank

The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.

Refer Note No. 44 for information about risk profile of borrowings under Financial Risk Management.

Notes to the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts are in INR lakhs, except share data and unless otherwise stated)

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2022
25 Trade payables		
Dues to Micro enterprises and Small enterprises	340.26	785.90
Dues to Creditors other than Micro and Small enterprises	16,428.04	10,209.34
	16,768.30	**10,995.24**
Refer Note 44 for information about risk profile of trade payables under Financial Risk Management.		
Refer Note 47(d) for information about aging of Trade Payables		
26 Provisions (Current)		
Provision for employee benefits		
Gratuity	255.46	232.48
Leave encashment	45.25	119.96
	300.71	**352.44**
27 Other current liabilities		
Statutory Liabilities	98.39	79.61
Fractional Share amount payable to shareholders	51.45	252.64
Employee payables	1.19	0.25
Advance and deposits from customers etc.,	878.95	3.74
	1,029.98	**336.24**

Notes to the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts are in INR lakhs, except share data and unless otherwise stated)

₹ in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
28 Revenue from operations		
Sale of Products	55,607.27	43,818.25
Other Operating Revenues		
Sale of Other Materials	271.19	1,141.34
Others	77.28	46.45
	55,955.74	**45,006.04**
29 Other income		
Interest income	41.88	73.26
Profit on sale of property, plant and equipment	0.04	-
Foreign exchange gain (net)	758.18	349.11
Income from fair valuation of investments	-	90.10
Profit on sale of investments	51.24	104.08
Provisions non longer required written back	-	856.55
Other non-operating income	48.95	48.06
	900.29	**1,521.16**
30 Cost of materials consumed		
Opening inventory of raw materials	2,106.10	2970.88
Add : Purchases	36,238.80	25,248.15
Less : Closing inventory of raw materials	(4,283.13)	(3,659.38)
	34,061.77	**24,559.65**
Note : Opening and closing inventories are excluding items considered under discontinued operations		
31 Changes in inventories of work-in-progress, stock in trade and finished goods		
Opening stock		
Intermediates & Work-in-progress	5,217.56	4,241.94
Traded Goods		91.37
Finished Goods	4,902.00	4,308.83
	10,119.56	**8,642.14**

Notes to the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts are in INR lakhs, except share data and unless otherwise stated)

₹ in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Closing stock		
Intermediates & Work-in-progress	6,907.63	5,217.56
Traded Goods		-
Finished Goods	5,917.76	5,133.96
	12,825.39	**10,351.52**
Total changes in inventories	**2,705.83**	**1,709.38**
Note : Opening and closing inventories are excluding items considered under discontinued operations		
32 Employee benefits expense		
Salaries and wages	4,935.58	5,639.16
Contribution to provident and other funds	849.31	501.69
Staff welfare expenses	542.81	569.94
	6,327.70	**6,710.79**
33 Depreciation and amortisation expense		
Depreciation on Property, Plant and Equipment	8,699.33	11,416.95
Less : Depreciation considered under discontinued operations	-	(528.49)
Amortisation of Intangible Assets	3.13	231.23
Less : Amortisation considered under discontinued operations	-	(228.05)
	8,702.46	**10,891.64**
34 Finance Cost		
Interest on Bank Borrowings	1,859.51	3,902.98
Interest on Others	1,341.66	1,230.58
	3,201.17	**5,133.56**

₹ in Lakhs

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
35	**Other expenses**		
	Power and Fuel	5,273.93	3,931.09
	Consumption of Stores, Spares & Chemicals	1,272.56	1,149.12
	Rent	56.84	49.36
	Repairs to buildings	65.35	75.98
	Repairs to Machinery	57.02	65.59
	Factory maintenance	1,230.89	1,135.48
	Insurance	423.27	506.03
	Rates & Taxes	84.11	228.83
	Postage, Telephone & Telex	25.72	27.59
	Printing & Stationery	53.28	42.30
	Vehicle Maintenance	2.74	2.42
	Research & Development Expenses	662.63	480.97
	Advertisement	4.40	2.40
	Recruitment expenses	8.03	3.42
	Payment to Auditors [refer note 35 (a)]	34.53	34.86
	Cost Audit fee	2.00	2.00
	Travelling and Conveyance	19.70	9.45
	Directors' remuneration & perquisites	146.71	102.88
	Directors' travelling expenses	20.80	-
	Directors' sitting fees	9.75	6.50
	Freight outward	1,063.18	924.77
	Commission on sales	1,153.09	404.53
	Business promotion and selling expenses	5.50	13.80
	Lease rentals	101.25	101.25
	Professional consultancy charges	404.34	719.41
	Allowance for expected credit loss	366.73	132.80
	Bank charges	144.43	87.08
	Loss on sale of property, plant and equipment	-	6.50
	Miscellaneous expenses	**265.85**	**219.42**
		12,958.63	**10,465.83**
35 (a)	**Payment to Auditors**		
	For statutory audit	18.00	18.00
	For issuing limited review reports	12.00	12.00
	For tax audit	2.50	2.50
	For certificate and other services	1.82	2.04
	Out of pocket expenses	0.21	0.32
		34.53	**34.86**

Notes to the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts are in INR lakhs, except share data and unless otherwise stated)

36 Income tax expense

In view of the carried forward losses under the taxation laws, no provision for tax is created. Since the Group had loss for the FY 2021-2022 as per books, the provisions of tax on book profits are not applicable to the Group.

37 Movement of deferred tax expense

For the year ended March 31, 2022

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant, and equipment and Intangible Assets	(14,933.97)	6,650.50	-	(8,283.47)
Unabsorbed tax depreciation*	14,933.97	(6,650.50)	-	8,283.47
Other temporary differences	(322.62)	-	-	(322.62)
	(322.62)	-	-	**(322.62)**

For the year ended March 31, 2021

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant, and equipment and Intangible Assets	(19,749.52)	4,815.55	-	(14,933.97)
Unabsorbed tax depreciation*	19,749.52	(4,815.55)	-	14,933.97
Other temporary differences	(322.62)	-	-	(322.62)
	(322.62)	-	-	**(322.62)**

*Since the Group has unabsorbed depreciation, it has scaled down the recognition of deferred tax asset to that extent it matches with the aggregate deferred tax liability arising on account of Property, Plant and Equipment. However, no deferred tax asset has been created in respect of carry forward business losses in the absence of convincing evidence that future taxable income will be available.

38 Earnings per share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit for the year attributable to owners of the Group	(195.12)	(11,653.00)
Weighted average number of ordinary shares outstanding	4,08,16,400	4,08,16,400
Basic earnings per share (Rs)	(0.48)	(28.55)
Diluted earnings per share (Rs)	(0.48)	(28.55)

39 Expenditure on Research and Development

₹ in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue expenditure relating to Research and Development charged to the Statement of Profit or Loss (excluding depreciation) includes:		
Power and fuel	36.66	0.89
Consumption of stores, spares and chemicals	104.94	39.09
Salaries, wages and bonus	448.52	369.30
Contribution to Provident and other funds	30.09	32.55
Insurance	-	0.49
Postage, telephone and telex	0.02	0.03
Printing and stationery	0.52	0.82
Vehicle maintenance	0.20	0.49
Filing and registration expenses	0.88	1.22
Professional consultancy charges	14.96	20.12
Others	25.84	15.97
Total	**662.63**	**480.97**

40 Expenditure on Research and Development

₹ in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contingent Liability		
Claims against the Group not acknowledged as debts		
- Income Tax dispute pending before High Court of Chennai*		
- Other claims **	250.34	
Unexpired Letter of Credit	2,236.39	4,511.57
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	19.35

* The RP has confirmed that a public announcement was caused by the IRP regarding the initiation of corporate insolvency resolution process and submission of claims was called under section 15 on August 24, 2017. Pursuant to such public announcement, the IRP/RP of the Corporate Debtor has received certain claims from statutory authorities which was admitted under the provisions of Insolvency and Bankruptcy Code, 2016 (IBC code) and subsequent settlement made as per the approved resolution plan. Accordingly, the Corporate Debtor/ Resolution Applicant/ SPV will have no additional exposure arising out of the claims towards the Statutory Dues which have not been admitted and/or the claims which have been rejected (partly or fully) by the RP and/or because of the re-classification in the category of creditor(s).

Considering the above, all statutory liabilities of pre-CIRP period is considered as completely settled and no liability, whatsoever, including contingent in nature is existing on implementation of the resolution plan.

Notes to the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts are in INR lakhs, except share data and unless otherwise stated)

**The Group has taken certain lands on lease for its operations in respect of which the lease agreement expired before the date of commencement of the Corporate Insolvency Resolution Process. As part of the right to review the existing agreements, the Group has made a detailed assessment of the market rent for the property and the market value of the property for outright purchase. Since the present rent as per erstwhile lease agreements is significantly high considering the market value of the property itself, the Group is in talks with the lessor for renewal of the lease with lower rent or for outright purchase of the property as part of the implementation of the resolution plan. However, no finality is reached on this matter as of date.

Pending completion of the negotiation, the Group has disputed the portion of the lease rent, considered to be excessive than the market rate, amounting to Rs.2,051.33 Lakhs upto March 31, 2022 in respect of the aforesaid lease. Based on the legal opinion obtained, the management is of the opinion that no liability will arise on completion of the negotiation.

41 Operating Segments

The operations of the Group falls under a single primary segment i.e., "Pharmaceuticals" in accordance with Ind AS 108 "Operating Segments" and hence no segment reporting is applicable.

Information relating to geographical areas

(a) Revenue from external customers

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
India	7,661.35	5,380.64
Rest of the world	47,945.92	38,437.61
	55,607.27	**43,818.25**

(b) Non current assets

The manufacturing facilities of the Group is situated in India and no non-current assets are held outside India

42 Operating lease arrangements

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
As Lessee		
The Group has entered into operating lease arrangements for certain facilities. The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties.		
Lease payments recognised in the Statement of Profit and Loss	101.25	101.25

43 Terms and conditions of borrowings

Long term borrowings - Term loans from banks

As per the terms of the Loan agreement, Interest for the Rupee Term loan is 1Y MCLR+1.80%; commission for the LC in case of import : 0.50%+GST and in case of inland : 3.60%+GST. These loans are Repayable in 20 equal quarterly installments after a moratorium period of one year from the date of disbursement (i.e. June 2021)

The above rupee term loan got converted in to Foreign Currency Term Loan (FCTL) on 6th December'2021 with interest rate @ 6 Months LIBOR plus 2.25% margin. These Loans are repayable in 18 equal quarterly installments starting from December 2021

These facilities are secured by:

i) First charge on all immovable assets by way of mortgage of land/ leasehold rights and all the buildings present and future.

ii) First charge on all movable fixed assets by way of hypothecation, of all movable fixed assets including movable plant and machinery, machinery, spares, tools and accessories, furniture & fixtures, vehicles, etc. present and future

iii) First charge over

a) all the rights, titles, interest, benefits, claims & demand whatsoever of the Group and as amended, varied or supplemented from time to time

b) all the title, interest, benefits, claims and demands whatsoever of the Group in any letter of credit, guarantee, performance bond provided by any party to the Group present or future.

c) First pari-passu charge on intangibles, goodwill, uncalled capital , present and future

iv) First charge by way of hypothecation over the entire current assets (both present & future)

v) The term loans are additionally secured by personal guarantee given by one of the director of the Group Mr. Manish Dhanuka and one of the director of the holding company Mr. Mahendra Kumar Dhanuka Long term borrowings - 0% Optionally Convertible Debentures During the year ended March 31, 2020, the Group has issued 14,300 0% Optionally Convertible Debentures (OCD) of Rs.1,00,000 each. In case, the OCD holders exercise their option to convert the same, then the said conversion shall happen only on the basis of face value of each of the OCD and no interest shall be payable to the OCD holders. However, if the OCD holders opt not to exercise their option for conversion, then the OCL holders shall be entitled to redemption premium of atleast 11 % IRR on annual basis on the amount of the said OCDs or such higher amount as the Board decides after considering the market price of shares of the Group; however in any case, redemption premium shall not exceed beyond 18% IRR on an annual basis. The said OCD, till the time it is not converted into equity shares, shall not be listed on any stock exchange in India and are permitted to be transferred only with the permission of the Board of Directors of the Group. Further there shall be no redemption of OCDs, including payment of interest/ other kind of return of what so ever nature thereon, until entire outstanding of the loan availed from Union Bank of India is paid in full to the lender.

Short term borrowings

The cash credit limits and working capital demand loan with the banks are secured by:

i) Current Assets - first pari pasu charge by way of hypothecation over the entire current assets, both present and future.

ii) Movable Fixed assets - second charge on all movable fixed assets by way of hypothecation, of all movable fixed assets includingmovable plant and machinery, machinery, spares, tools and accessories, furniture & fixtures, vehicles, etc. present and future.

iii) Second charge by way of mortgage of land/ leasehold rights and all the buildings present and future of Orchid Pharma Limited. First pari passu charge over all the rights, titles, interests, benefits, claims and demand whatsoever of OPL and as amended, varied or supplemented from time to time and first pari passu charge on all the titles, interests, benefits, claims and demand whatsoever of OPL, in any letter of credit, guarantee or performance bond provided by any party to OPL, present or future. First pari passu charge on intangibles, goodwill uncalled capital present and future.

iv) Personal guarantee of Mr. Manish Dhanuka and Mr. Mahendra Kumar Dhanuka

Notes to the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts are in INR lakhs, except share data and unless otherwise stated)

44 Financial Instruments

Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

For the purposes of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Gearing Ratio:		
Debt	24,511.22	44,989.74
Less: Cash and bank balances	806.30	1,991.17
Net debt	23,704.92	42,998.57
Total equity	64,737.99	65,290.78
Gearing ratio (%)	36.62%	65.86%
Categories of Financial Instruments		

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Financial assets		
a. Measured at amortised cost		
Other non-current financial assets	476.05	399.72
Trade receivables	17,056.82	13,569.81
Cash and cash equivalents	430.66	1,569.39
Bank balances other than above	375.64	421.78
Other financial assets	476.05	399.72
b. Mandatorily measured at FVTOCI		
Investments	351.35	40.44
c. Mandatorily measured at FVTPL		
Investments	-	1,502.08
Financial liabilities		
a. Measured at amortised cost		
Borrowings (non-current, excluding current maturities)	20,816.52	42,749.74
Borrowings (current)	5,978.84	2,524.26
Trade payables	16,768.30	10,995.24
b. Mandatorily measured at FVTPL		
Derivative instruments	Nil	Nil

Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by using natural hedging financial instruments and forward contracts to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group actively manages its currency and interest rate exposure through its finance division, wherever required, to mitigate the risks from such exposures.

Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures.

Disclosure of hedged and unhedged foreign currency exposure

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As on March 31, 2022 ₹ in Lakhs

Currency (All amt in Lakhs)	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	254.42	-	254.42	247.10	-	247.10	(7.32)
EUR	2.28	-	2.28	0.97	-	0.97	(1.31)
Others	2.17	-	2.17	-	-	-	(2.17)
In INR	19,557.21	-	19,557.21	18,884.32	-	18,884.32	(672.89)

As on March 31, 2021 ₹ in Lakhs

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	22.18	-	22.18	206.41	-	206.41	184.23
EUR	2.13	-	2.13	3.22	-	3.22	1.09
GBP	0.30	-	0.30	-	-	-	(0.30)
Others	2.16	-	2.16	-	-	-	(2.16)
In INR	3,517.52	-	3,517.52	15,386.50	-	15,386.50	11,868.98

Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Group against major foreign currencies may impact the Group's revenues from its operations. Any weakening of the functional currency may impact the Group's cost of imports and cost of borrowings and consequently may increase the cost of financing the Group's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because of the existing exchange earning capacity of the Group on account of its EOU status (Export oriented undertaking) and higher proportion of earnings in foreign exchange through exports.

Interest rate risk management

The Group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Group also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's loss for the year ended March 31, 2022 would decrease/ increase by Rs.36.95 lakhs (March 31, 2021 : Rs.91.00 lakhs). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Group is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks and foreign exchange transactions. The Group has no significant concentration of credit risk with any counterparty.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

(a) Trade Receivables

The Group has credit evaluation policy for each customer and based on the evaluation, credit limit of each customer is defined. Wherever the Group assesses the credit risk as high, the exposure is backed by either bank guarantee/letter of credit or security deposits.

The Group does not have higher concentration of credit risks to a single customer. As per simplified approach, the Group makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

(b) Investments, Cash and Cash Equivalents and Bank Deposits

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Investments of surplus funds are made only with approved banks/ financial institutions/ counterparty. Investments primarily include bank deposits, etc. These bank deposits and counterparties have low credit risk. The Group has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in bank deposit and restricts the exposure in equity markets.

Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the bank agreement is available only to the bank in the event of a default. Group does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

Liquidity risk management

iquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group invests its surplus funds in bank fixed deposits, which carry minimal mark to market risks. The Group also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Liquidity tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

₹ in Lakhs

March 31, 2022	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	16,768.30	-	-	16,768.30
Borrowings	5,978.84	14,778.80	6,037.72	26,795.36
	22,747.14	**14,778.80**	**6,037.72**	**43,563.66**

March 31, 2022	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	10,995.24	-	-	10,995.24
Borrowings	4,764.26	8,960.00	31,549.74	45,274.00
	15,759.50	**8,960.00**	**31,549.74**	**56,269.24**

	March 31, 2022	March 31, 2021
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)	Nil	Nil

Notes to the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts are in INR lakhs, except share data and unless otherwise stated)

45 Related party disclosure

a) Name of related party and nature of relationship

Ultimate Holding Company	Dhanuka Laboratories Limited
Key Management Personnel and their relatives	
Mr. Ram Gopal Agarwal	Chairman and non executive director
Mr. Manish Dhanuka	Managing Director
Mr. Mridul Dhanuka	Wholetime Director
Mr. Arun Kumar Dhanuka	Non Executive Director
Mr. Sunil Gupta	Chief Financial Officer
Ms. K Nikita	Company Secretary
Enterprises in which the KMPs are having control/ significant influence	Otsuka Chemical (India) Pvt Ltd
	Synmedic Laboratories

b) Transactions with related parties are as follows

Particulars	Enterprises in which Key Management Personnel and their Relatives have significant influence		Key Management Personnel and their Relatives	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Remuneration & Short term benefits*	-	-	155.03	109.70
Sale of goods	167.01	4.94		
Purchase of goods	8,596.94	4,744.14		
Advance for purchase of Land	492.90	-	-	-

*Post employment benefit comprising compensated absences is not disclosed as these are determined for the Group as a whole.

c) Balances with related parties are as follows

Particulars	Enterprises in which Key Management Personnel and their Relatives have significant influence		Key Management Personnel and their Relatives	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Trade receivables	3,844.57	3,816.91		
Trade payables	3,503.39	446.10		
Advance for purchase of Land	492.90	-	-	-

d) Material related party transactions are follows

Nature of transactions	Year ended March 31, 2022	Year ended March 31, 2021
Remuneration & Short term benefits		
Manish Dhanuka	73.35	50.66
Mridul Dhanuka	73.35	52.22
K. Nikita	8.33	6.82
Sale of goods		
Synmedic Laboratories	167.01	4.94
Purchase of goods		
Otsuka Chemical (India) Pvt Ltd	8,596.94	4,744.14
Advance for purchase of Land		
Synmedic Laboratories	492.90	-

e) Material related party balances are follows

₹ in Lakhs

Name of the related party	As at March 31, 2022	As at March 31, 2021
Trade payables		
Otsuka Chemical (India) Pvt Ltd	3,472.27	340.42
Advance for purchase of Land		
Synmedic Laboratories	492.90	-

46 Retirement benefit plans

Defined contribution plans

In accordance with Indian law, eligible employees of the Group are entitled to receive benefits

in respect of Gratuity fund, a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Provident fund, Gratuity fund, Superannuation fund as well as Employee State Insurance Fund.

The total expense recognised in profit or loss of Rs.589.33 Lakhs (for the year ended March 31, 2021: Rs. 331.51 Lakhs) represents contribution paid to these plans by the Group at rates specified in the rules of the plan.

Defined benefit plans

(a) Gratuity

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(All amounts are in INR lakhs, except share data and unless otherwise stated)

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31, 2022	March 31, 2021
Discount Rate	7.04%	6.68%
Rate of increase in compensation level	7.00%	7.00%
Expected return on plan assets	6.68%	6.68%
Mortality	Indian Assured Lives Mortality (2012-14) (Ultimate)	Indian Assured Lives Mortality (2012-14) (Ultimate)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:	March 31, 2022	March 31, 2021
Amount recognised under Employee Benefits Expense in the Statement of profit and Loss:		
Current service cost	82.26	93.40
Net interest expense	97.81	99.88
Return on plan assets (excluding amounts included in net interest expense)	(23.41)	(32.15)
Components of defined benefit costs recognised in profit or loss	**156.66**	**161.13**
Amount recognised in Other Comprehensive Income (OCI) for the Year		
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses recognised during the period Actuarial (gains)/losses	(146.39)	(61.35)
Components of defined benefit costs recognised in other comprehensive income	**(146.39)**	**(61.35)**
Components of defined benefit costs recognised in other comprehensive income	**10.27**	**99.78**

I. Current service cost and the net interest expense for the year are included in the 'Employee Benefits Expense' in profit or loss.
ii. The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit plans is as follows:

		March 31, 2022	March 31, 2021
	Present value of defined benefit obligation	1,440.27	1,521.80
	Fair value of plan assets	(316.25)	(408.04)
	Net liability/ (asset) arising from defined benefit obligation	**1,124.02**	**1,113.76**
	Funded	1,124.02	1,113.76
	Unfunded	-	-
		1,124.02	**1,113.76**

The above provisions are reflected under 'Provision for employee benefits - Gratuity' (Non current provisions) [Refer note 23] and 'Provision for employee benefits - Gratuity' (Current provisions) [Refer note 27].

(All amounts are in INR lakhs, except share data and unless otherwise stated)

Movements in the present value of the defined benefit obligation in the current year were as follows:

	March 31, 2022	March 31, 2021
Opening defined benefit obligation	1,521.80	1,616.08
Current service cost	82.26	93.40
Interest cost	97.81	99.88
Actuarial (gains)/losses	(146.39)	(46.02)
Benefits paid	(115.21)	(241.54)
Closing defined benefit obligation	**1,440.27**	**1,521.80**

Movements in the fair value of the plan assets in the current year were as follows:

	March 31, 2022	March 31, 2021
Opening fair value of plan assets	408.04	602.10
Return on plan assets	23.41	32.15
Benefits paid	(115.21)	(241.54)
Actuarial gains/(loss)	-	15.33
Closing fair value of plan assets	**316.24**	**408.04**

Sensitivity analysis

In view of the fact that the Group for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(b) Compensated absences

The leave scheme is a final salary defined benefit plan, that provides for a lumpsum payment at the time of separation; based on scheme rules the benefits are calculated on the basis of last drawn salary and the leave count at the time of separation and paid as lumpsum.

The design entitles the following risk

Interest rate risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of these decrement on the DBO depends upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short caring employees will be less compared to long service employees.

The above provisions are reflected under 'Provision for employee benefits - Compensated absences' (Non current provisions) [Refer note 23] and 'Provision for employee benefits - Compensated bsences' (Current provisions) [Refer note 27].

Notes to the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts are in INR lakhs, except share data and unless otherwise stated)

47 Additional regulatory and other information as required by the Schedule III to the Companies Act 2013

(a) Ageing Schedule of Capital Work-in-Progress (CWIP) - March 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in Progress	242.87	1.57	3.01	730.97	978.42
(ii) Projects temporarily suspended	-	-	-	-	-
	242.87	**1.57**	**3.01**	**730.97**	**978.42**

Note: The Group do not have any projects whose activity has been suspended.

Ageing Schedule of Capital Work-in-Progress (CWIP) - March 2021

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in Progress	10.13	0.22	14.47	718.24	743.06
(ii) Projects temporarily suspended	-	-	-	-	-
	10.13	**0.22**	**14.47**	**718.24**	**743.06**

Note: The Group do not have any projects whose activity has been suspended.

(b) Completion Schedule for Capital Work-in-Progress whose completion is overdue

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Phase 27 Project (mainly due to CIRP process)	978.42	-	-	-	978.42
	978.42				

(b) Completion Schedule for Capital Work-in-Progress whose completion is overdue

(c) Ageing Schedule of Trade Receivables

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
Considered good	13,693.23	2,069.89	-	-	-	-	15,763.12
Which have significant increase in credit risk and considered doubtful	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	1,034.09	-	1,034.09
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk and considered doubtful	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	259.61	-	259.61
	13,693.23	**2,069.89**	**-**	**-**	**1,293.70**	**-**	**17,056.82**

As at March 31, 2022 ₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
Considered good	10,653.87	2,282.64	-	-	-	-	12,936.51
Which have significant increase in credit risk and considered doubtful	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	373.69	-	373.69
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk and considered doubtful	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	259.61	-	259.61
	10,653.87	**2,282.64**	**-**	**-**	**633.30**	**-**	**13,569.81**

(d) Ageing Schedule of Trade Payables

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 1 year	1-2 years	2-3 years		More than 3 years	
As at March 31, 2022							
(i). MSME	314.96	15.74	0.82	7.46		1.29	340.27
(ii) Others	4,149.89	6,275.58	617.22	4,880.70		504.64	16,428.03
(iii). Disputed Dues - MSME	-	-	-	-		-	
(iv). Disputed Dues - Others	-	-	-	-		-	
(v). Unbilled Dues	-	-	-	-		-	
	4,464.85	**6,291.32**	**618.04**	**4,888.16**		**505.93**	**16,768.30**
As at March 31, 2021							
(i). MSME	344.47	338.59	31.20	6.69		64.95	785.90
(ii) Others	2,068.41	2,939.32	154.46	4,261.51		251.73	9,675.43
(iii). Disputed Dues - MSME	-	-	-	-		-	-
(iv). Disputed Dues - Others	-	-	-	-		-	-
(v). Unbilled Dues	2.86	363.58	79.49	69.51		18.47	533.91
	2,415.74	**3,641.49**	**265.15**	**4,337.71**	**-**	**335.15**	**10,995.24**

(e) Proceedings under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder :

There are no proceedings initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder

(f) Borrowings from banks

The Company is not declared as wilful defaulter by any bank or financial Institution or other lenders.

(g) Relationship with Struck off Companies

The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Group.

Notes to the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts are in INR lakhs, except share data and unless otherwise stated)

(I) Key Financial Ratios

Particulars	Unit of Measurement	March 31, 2022	March 31, 2021	Variation in %
Current Ratio	In multiple	2.21	4.59	(52%)
Debt-Equity Ratio	In multiple	0.38	0.69	(45%)
Debt Service Coverage Ratio	In multiple	0.50	0.26	92%
Return on Equity Ratio	In %	(0.1%)	(16%)	(15.9%)
Inventory Turnover Ratio	In Days	106.00	119.00	(11%)
Trade receivables Turnover Ratio	In Days	100.00	83.00	20%
Trade payables Turnover Ratio	In Days	91.00	86.00	6%
Net Capital Turnover Ratio	In Days	115.00	116.00	(1%)
Net Profit Ratio	In %	(0.4%)	(26%)	(25.6%)
Return on Capital Employed	In %	2.01%	(3.5%)	(5.5%)
Return on Investment (Assets)	In %	0%	(9%)	(9.0%)

Formula adopted for above Ratios:
Current Ratio = Current Assets / (Total Current Liabilities – Security Deposits payable on Demand – Current maturities of Long Term Debt)
Debt-Equity Ratio = Total Debt / Total Equity
Debt Service Coverage Ratio = (EBITDA – Current Tax) / (Principal Repayment + Gross Interest on term loans)
Return on Equity Ratio = Total Comprehensive Income / Average Total Equity
Inventory Turnover Ratio (Average Inventory days) = 365 / (Net Revenue / Average Inventories)
Trade receivables Turnover Ratio (Average Receivables days) = 365 / (Net Revenue / Average Trade receivables)
Trade Payables Turnover Ratio (Average Payable days) = 365 / (Net Revenue / Average Trade payables)
Net Capital Turnover Ratio = (Inventory Turnover Ratio + Trade receivables turnover ratio – Trade payables turnover ratio)
Net Profit Ratio = Net Profit / Net Revenue
Return on Capital employed = (Total Comprehensive Income + Interest) / (Average of (Equity + Total Debt))
Return on Investment (Assets) = Total Comprehensive Income / Average Total Assets

Reasons for Variation if more than 25%

Current Ratio

The current ratio have been decreased mainly due to decrease in non current asset held for sale compared to the previous year.

Debt equity ratio

Major portion of the term loans have been repaid during the year and accordingly, the Debt Equity Ratio has decreased.

Debt Service Coverage Ratio

Due to significant decrease in loss, due to profit on sale of IKKT undertaking, the Debt Service Coverage Ratio has significantly improved.

Net Profit Ratio

Due to significant decrease in loss, due to profit on sale of IKKT undertaking, the negative net profit ratio has significantly decreased.

(j) Scheme of arrangements

There are no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

(k) Advance or loan or investment to intermediaries and receipt of funds from intermediaries

The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Group has also not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(l) Undisclosed Income

The Company do not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.

(m) Details of Crypto Currency or Virtual Currency

The Group did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence, disclosures relating to it are not applicable.

48 Discontinuing operations

During the year, the Company has completed the sale of IKKT division, which was previously classified as disposal group as per Ind AS 105. "Non-current Assets Held for Sale and Discontinued Operations"

Operating results of the Group's discontinuing operations (IKKT division) are summarised as follows:

(I) The carrying value of the total assets and liabilities of discontinued operations

₹ in Lakhs

	As at March 31, 2022	As at March 31, 2021
Liabilities		
Non Current liabilities	-	-
Financial Liabilities	-	983.36
Other Current Liabilities	-	25.59
		-
Total liabilities	-	1,008.95
Assets		
Property, Plant and Equipment (PPE)	-	4,085.82
Intangible Assets	-	1,150.45
Capital Work in Progress	-	433.51
Intangible under development	-	1,054.07
Non Current Financial Assets	-	78.73
Current Financial Assets	-	1,040.66
Other current assets	-	3,030.53
Total Assets	-	10,873.77
Net Assets/ (Liabilities)	-	**9,864.82**

Notes to the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts are in INR lakhs, except share data and unless otherwise stated)

(ii) The revenue and expenses in respect of ordinary activities attributable to discontinuing operations

	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue		
Revenue from operations	1,294.59	2,133.27
Other Income	7,530.09	(33.24)
Total revenue (a)	**8,824.68**	**2,100.03**
Expenses		
Cost of materials consumed	276.45	938.63
Changes in inventories of work-in-progress, stock in trade and finished goods	512.73	(485.09)
Employee benefits expense	439.75	751.68
Depreciation and amortization expense	-	756.54
Other expenses	2,693.98	2,266.38
Total expenses (b)	3,922.91	4,228.14
profit/ (Loss) before exceptional item and tax (a-b) = (c)	**4,901.77**	**(2,128.11)**
Less : Exceptional item	-	-
Profit/ (Loss) before tax	**4,901.77**	**(2,128.11)**
Tax expenses	-	-
Profit/ (Loss) from discontinuing operations	**4,901.77**	**(2,128.11)**

As required by Ind AS 105, the Group re-presented the disclosures for prior periods presented in the consolidated financial statements so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented.

(All amounts are in INR lakhs, except share data and unless otherwise stated)

48A Disclosure of interests in subsidiary companies consolidated as per Ind AS 110 'Consolidated Financial Statements"

Name of enterprise *	Country of Incorporation	Proportion of ownership interest
Orchid Europe Limited, UK	UK	100.00%
Orchid Pharmaceuticals Inc., USA	USA	100.00%
Orgenus Pharma Inc., USA (Subsidiary of Orchid Pharmaceuticals Inc USA.)	USA	100.00%
Orchid Pharma Inc / Karalex Pharma USA, (Subsidiary of Orchid Pharmaceuticals Inc, USA)	USA	100.00%
Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa	South Africa	100.00%
Bexel Pharmaceuticals Inc., USA	USA	100.00%
Diakron Pharmaceuticals Inc., USA **	USA	76.65%

* All the above companies are not in operation and the investments are fully provided by the holding company

** Since the company is not operational and fully provided for, no non-controlling interest needs to be considered

48B "Disclosure of interests in associate company consolidated under equity method as per Ind AS 28 ""Investments in Associates and Joint Ventures"

Name of enterprise *	'Place of Business/ Country of Incorporation	'Proportion of ownership interest	'Share in Total Comprehensive Income under equity method
Orbion Pharmaceuticals Private Limited	India	26.00%	(352.27)

48C Additional Information, as required under Schedule III to the Companies Act, 2013

	Net Assets i.e. Total Assets minus 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 / (Loss)	Amount	As % of consolidated Other Comprehensive Income	Amount	As % of consolidated Total Comprehensive Income	Amount
Orchid Europe Limited, UK	0.08%	54.26	0.00%	-	-	-	0.00%	-
Orchid Pharmaceuticals Inc., USA and its subsidiaries	-6.13%	(3,966.88)	7.28%	(414.39)	-	-	7.47%	(414.39)
Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa	-	-	-	-	-	-	-	-
Bexel Pharmaceuticals Inc., USA	-0.21%	(134.80)	-	-	-	-	-	-
Diakron Pharmaceuticals Inc., USA	-4.49%	(2,908.25)	0.00%	-	-	-	0.00%	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts are in INR lakhs, except share data and unless otherwise stated)

49 Due to the restrictions imposed due to Covid'19, the Group could not complete the proposed sale of land and buildings at Orchid Towers as planned. The Group has received quotes from certain parties and is confident of completing the sale during the current year. Accordingly, no change has been made in the classification of the aforesaid assets in the previous year..

50 The Group is required to comply with the amendments in Schedule III of Companies Act, 2013 notified on 24-03-2021, with effect from 01-04-2021. Accordingly the Group has complied with the disclosure and presentation requirements as per the aforesaid amendments and reclassified the following items in the previous years, to conform to current year classification.

Nature of reclassification	As at March 31, 2022	As at March 31, 2021	Reason for the reclassification
Hitherto, Current maturities of Long term borrowings was included in Other Current Financial Liabilities. As per the requirement under amendments to Schedule III, the same has been presented under 'Short Term Borrowings' as a separate line and previous year figure has been reclassified	3,694.70	2,240.00	As required by Amendments to Schedule III to the Companies Act 2013

As per our report of even date attached
For CNGSN & Associates LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

Chinnsamy Ganesan
Partner
Membership No.027501

Place : Chennai
Date: May 12, 2022

For and on behalf of the board

Manish Dhanuka
Managing Director
DIN: 00238798

Arun Kumar Dhanuka
Non Executive Director
DIN: 00627425

Sunil Gupta
Chief Financial Officer

K Nikita
Company Secretary

OrchidPharma
— A Dhanuka Group Company —

ORCHID PHARMA LIMITED

CIN: L24222TN1992PLC022994
Regd. Office: 'Orchid Towers', # 313, Valluvarkottam High Road, Nungambakkam, Chennai - 600 034,
Tamil Nadu, India. Tel: +91-44-2821 1000 Fax: +91-44-2821 1002
E-mail: corporate@orchidpharma.com I Website: www.orchidpharma.com

NOTICE OF THE 29th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 29th Annual General Meeting of the Members of **Orchid Pharma Limited** will be held on Friday, ***July 15, 2022 at 03:00 P.M.*** Indian Standard Time (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

a) The Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022;

b) The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022;

c) The Reports of the Board of Directors ("the Board") and Auditors thereon;

In this regard, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** the Audited Standalone Financial Statements and the Audited Consolidated Financial Statements for the financial year ended March 31, 2022 and the Reports of the Board of Directors and Auditors thereon laid before this Meeting are hereby considered and adopted."

2. To appoint a Director in place of Shri Ram Gopal Agarwal (DIN: 00627386) Chairman and Non-Executive Director of the Company, who retires by rotation and being eligible offers himself for re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Shri Ram Gopal Agarwal (DIN: 00627386), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as Chairman and Non-executive Director of the Company liable to retire by rotation."

3. To appoint Statutory Auditors of the Company and to fix their remuneration

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

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof), pursuant to the recommendations of the Audit Committee and the Board, M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E), be and is hereby appointed as the Statutory Auditor(s) of the Company to hold office from the conclusion of this 29th Annual General Meeting (AGM) until the conclusion of the 34th Annual General Meeting, to be held in the year 2027, at such remuneration plus applicable taxes and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Statutory Auditors and duly approved by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things and take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution."

SPECIAL BUSINESS

4. Ratification of Remuneration to the Cost Auditor for the Financial year 2022-23

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules,2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable Rules, if any, the payment of remuneration of Rs. 2,00,000/- (Rupees Two Lakhs Only) plus applicable taxes and re-imbursement of out of pocket expenses to Shri J Karthikeyan, Cost Accountant (Membership No. 29934, Firm Registration Number M – 102695) Chennai appointed as the Cost Auditor by the Board, to conduct the audit of the cost records of the Company with regard to Pharmaceuticals (Bulk Drugs & Formulations) for the financial year 2022- 2023, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things and take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution."

5. Approval for Material Related Party Transactions with M/s. Otsuka Chemicals (India) Private Limited

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

"**RESOLVED THAT** pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 ("Act") read with the applicable Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Regulation 23 and other applicable provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time, the Company's policy on "Materiality of Related Party Transactions and also on dealing with Related Party Transactions", all other applicable laws and regulations, as amended, supplemented or re-enacted from time to time, subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary and pursuant to the approval and recommendation of the Audit Committee and the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded to the Board of Directors ('the Board', which term shall include any Committee) or Key Managerial Personnel of the Company to enter into Material related party transactions in the nature of Purchase of raw materials from M/s. Otsuka Chemicals (India) Private Limited being 'Related Party' under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations based on the expected value of the transactions of Rs. 130,00,00,000 (Rupees One Hundred and Thirty Crores Only) for the financial year 2022-2023 (which is expected to exceed Rupees one thousand crore or 10% of the Annual Consolidated Turnover as per the last audited financial statements of the Company, whichever is lower) provided that the said transactions to be entered into / carried out are in the Ordinary course of business and are on arm's length basis on such terms and conditions as may be considered appropriate by the Board of Directors and as may be agreed between the Company and M/s. Otsuka Chemicals (India) Private Limited more particularly enumerated in the Explanatory statement annexed to this Notice.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof) or Key Managerial Personnel of the Company be and are hereby authorized to perform and execute all such deeds, matters and things including delegation of authority as may be deemed necessary or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto".

For and on behalf of the Board of Directors of
Orchid Pharma Limited

Manish Dhanuka
Managing Director
DIN: 00238798

Date: June 14, 2022
Place: Gurugram

NOTES:

1. In view of the continuing COVID-19 global pandemic, the Ministry of Corporate Affairs had issued General Circulars bearing Nos. 20/2020, 02/2021 and 19/2021 dated 5th May, 2020, January 13, 2021 and December 8, 2021 respectively, and clarification circular No. 21/2021 dated December 14, 2021 allowing conducting of AGM through Video Conferencing ("VC") or other Audio Visual Means ("OAVM") without the physical presence of the members for the meeting at a common venue.In terms of the aforesaid Circulars and in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the AGM of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the AGM through VC / OAVM only. In accordance with the Secretarial Standard-2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with guidance/ clarification issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. The detailed procedure for participating in the meeting through VC / OAVM is appended herewith and also available at the Company's website www.orchidpharma.com

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, Secretarial Standards - 2 on General Meetings and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 setting out material facts in respect of the Item Nos.3 to 5 of the Notice to be transacted at the 29th Annual General Meeting is annexed hereto. Further, the relevant details with respect to Item No.2 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015("SEBI Listing Regulations") and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed.

3. Since this AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. In pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting. The Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Corporate members intending to attend/vote at AGM through VC / OAVM by their respective authorized representative(s) pursuant to Section 113 of the Companies Act, 2013 are requested to send their Certified True Copy of the resolutions/ Power of Attorney to the Scrutinizer by e-mail at cspmuthukumaran@gmail.com with a copy marked to RTA(info@abhipra.com) and Ms. Nikita K, Company Secretary (nikitak@orchidpharma.com) authorizing their representatives to attend and vote on their behalf at the Annual General Meeting of the Company and to vote through remote e-voting.

5. The Register of Members and the Share Transfer Books will remain closed from Friday July 08, 2022 to Friday, July 15,2022, (both days inclusive) for the purpose of Annual General Meeting for the financial year 2021-2022.

6. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

7. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at www.orchidpharma.com and on the website of the Company's Registrar and Transfer Agents, www.abhipra.com It may be noted that any service request can be processed only after the folio is KYC Compliant

8. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members holding shares in physical form are requested to consider converting their holding to dematerialized form. Members can contact either the Company or M/s Abhipra Capital Limited(ACL)for assistance in this regard.

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested

to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ACL. Shareholders are requested to note that furnishing of Permanent Account Number (PAN) is now mandatory in the following cases:-

- Legal Heirs'/Nominees' PAN Card for transmission of shares
- Surviving joint holders' PAN Cards for deletion of name of deceased Shareholder, and
- Joint Holders' PAN Cards for transposition of shares.

10. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.,

For shares held in electronic form: to their Depository Participants (DPs)

For shares held in physical form: to the Company's Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/ MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated November 3, 2021.

11. Members are requested to address all correspondence to the Company's Registrar and Share Transfer Agents (RTA) viz., M/s Abhipra Capital Limited Abhipra Complex, A-387, Dilkhush Industrial Area, GT Karnal Road, Azadpur New Delhi-110033, India (info@abhipra.com) or to the Company at its Registered Office at Orchid Towers, No.313 Valluvarkottam High Road, Nungambakkam, Chennai-600034, Tamil Nadu, India

12. Members holding shares in physical form can avail the nomination facility by filing Form SH-13, as prescribed under Section 72 of the Companies Act, 2013 and the Rules made thereunder, with the Company's Registrar and Share Transfer Agent. Members holding shares in demat form may contact their respective Depository Participants (DPs) for availing this facility.

13. Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with Rule 18 (1) of the Companies (Management and Administration) Rules, 2014, the Notice calling the 29th AGM along with the Annual Report for the financial year 2021-2022 is being sent in electronic mode to all the Members who have registered their e-mail ID's with the Company/ Depository Participants for communication purposes.

14. In line with the MCA circulars the Notice convening 29th AGM and explanatory statement ('the Notice') and the Annual Report of the Company for the Financial Year 2021-2022 is available on the Company's website on www.orchidpharma.com. The Notice and Annual Report of the Company is also hosted on the website of stock exchanges where the shares of the Company are listed i.e. BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com) and also on the website of Central Depository Services (India) Limited ("CDSL")(agency for providing the VC/ OAVM facility/Remote e-Voting and e-voting system during the AGM) i.e., www.evotingindia.com. For any communication, the shareholders may also send request to the following mail id : nikitak@orchidpharma.com.

15. The Company has appointed Central Depository Services (India) Limited ("CDSL") to provide facility for voting through remote e-Voting, for participation in the 29th AGM through VC/OAVM Facility and e-Voting during 29th AGM of the Company.

16. Attendance of the members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

17. Facility of joining the AGM through VC / OAVM shall be open before Fifteen (15) minutes of the time scheduled for the AGM and will be kept open till the expiry of Fifteen (15) minutes after such scheduled time of commencement of meeting as stated in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. The large members (i.e. members holding 2% or more shareholding), promoters, institutional investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. are allowed to attend the Meeting without restriction on account of first- come first-served basis.

18. The Members are requested to note that the Company has arranged Video Conferencing Facility (VC) for the proceedings of the AGM through Cisco Webex platform. Members may use this facility by using the same login credentials as provided for remote e-Voting. Members on the day of the AGM will login through their user ID and password on e-Voting website of CDSL. The link/tab will be available in Member login where the EVEN of the Company will be displayed.

19. The Board of Directors of the Company at their Meeting held on June 14, 2022 had appointed CS Muthukumaran, Practising Company Secretary, M/s. P MUTHUKUMARAN AND ASSOCIATES having address at No. 16/58, 1st Floor, 4th Cross Street, Ganga Nagar, Kodambakkam, Chennai - 600 024 as the Scrutinizer to scrutinize the remote e-voting and the e-voting at AGM in a fair and transparent manner.

20. The scrutinizer shall, immediately after the conclusion of the e- voting at the Annual General Meeting, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e- voting and make, submit not later than 48 hours from conclusion of the Meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, to the Chairman or in his absence any other Director or Key Managerial Personnel as authorized by the Chairman of the AGM, who shall coutersign the same.

21. The results of voting will be declared within 48 hours from the conclusion of the Annual General Meeting. The results declared along with the Consolidated Scrutinizer's Report shall be placed on the Company's website www.orchidpharma.com and on www.evotingindia.com. Further, the results shall be displayed on the Notice Board of the Company at its Registered Office and will also be posted on the website of Company. It shall also be communicated to stock exchanges, where the Company's shares are listed.

22. The Register of Directors' and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the notice will be available for inspection during the business hours on all working days without any fee by the Members from the date of circulation of the Notice up to the date of AGM i.e. July 15, 2022. Members seeking to inspect such documents can send an email to nikitak@orchidpharma.com

23. Since the AGM will be held through VC/ OAVM, the Route Map of the Venue of the AGM is not annexed to this Notice.

24. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules,2016 (IEPF Rules) the amounts, which remain unpaid or unclaimed for a period of seven years, shall be transferred to the Investor Education and Protection Fund. As per the provisions of Section 124 (6) of the Companies Act, 2013 ("Act"),read with IEPF rules as amended, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of IEPF. The shareholders are entitled to claim the shares and the dividend transferred to IEPF in accordance with such procedure and on submission of such documents as prescribed in the Act.

25. For receiving the Notice and all other communications from the Company electronically Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Registrar and Transfer Agent (RTA) of the Company, M/s Abhipra Capital Limited, e-mail id: info@abhipra.com with details of folio number and attaching a self-attested copy of PAN card.

a. Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participant (DP).

b. If there is any change in the e-mail ID already registered with the Company / RTA, Members are requested to immediately notify such change to the Company / RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.

26. Members seeking any additional information on the subject matter to be placed at the AGM, are requested to write to the Company on or before **July 08, 2022** through email at nikitak@orchidpharma.com. The same will be replied by the Company suitably through email.

CALENDAR-AGM		
S.NO.	**PARTICULARS**	**DATE**
1.	Cut-off Date For Eligibility of Voting for the AGM	Friday, July 08 , 2022
2.	Book Closure Dates	From Friday, July 08, 2022 to Friday, July 15, 2022 (both days inclusive)
3.	Remote E-Voting Period	From 9:00 A.M (IST) on Monday, July 11 , 2022 till 5:00 P.M. (IST) on Thursday, July 14 , 2022
4.	Date & Time of AGM	Friday, July 15, 2022 at 03:00 P.M.

Voting through Electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended the Company is providing a facility to its members to exercise their votes electronically through the remote e-voting facility provided by CDSL for all items of business to be transacted at the AGM as set forth in the Notice convening the 29th Annual General Meeting to be held on Friday, July 15, 2022 through CDSL. The facility of casting votes by a Member using remote e-voting as well as the e-voting system on the date of the AGM through VC or OAVM will be provided by CDSL.

The e-voting facility is available at the link www.evoting india.com

Please read the instructions printed below before exercising your vote.

These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on Friday, July 15, 2022.

The instructions to Shareholders for remote e-voting & e-voting during AGM & joining meeting through VC/OAVM are as under:

1. The remote e-voting period commences at From 9:00 A.M (IST) on Monday , July 11,2022 till 5:00 P.M. (IST) on Thursday, July 14, 2022. During this period, the shareholders of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date Friday, i.e. July 08, 2022 may cast their votes electronically. The e- voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

2. The shareholders who have cast their vote by remote e-voting prior to the AGM may also participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

3. A person whose name is recorded in the Register of members or in the Register of beneficial owners maintained by the depositories as on the cut-off date i.e., July 08,2022 only shall be entitled to avail the facility of remote e-voting/voting at the AGM. A person who is not a Member as on the cut-off date, should treat this Notice for information purpose only.

   Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as of the Cut Off date i.e. Friday, July 08, 2022 may obtain the login ID and password by sending a request in writing at helpdesk.evoting@cdslindia.com.

4. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on Friday, July 08, 2022.

5. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of depositories/ Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

In terms of SEBI CIRCULAR NO. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode CDSL/ NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi.

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers'website directly 3) If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration 4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e- voting is in progress and also able to directly access the system of all e-voting Service Providers.
Individual Shareholders holding securities in Demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. Anew screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e- Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e- Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/ SecureWeb/IdeasDirectReg.jsp
	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see eVoting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or eVoting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website. Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
a. Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
b. Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETING FOR PHYSICAL SHAREHOLDERS AND SHAREHOLDERS OTHER THAN INDIVIDUAL HOLDING SHARES IN DEMAT FORM.

1. The Shareholders should log on to the e-voting website www.evotingindia.com.
2. Click on "Shareholders/Members" module.
3. Now enter your User ID For Members holding shares in demat form
   a. For CDSL: 16 digits beneficiary ID
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
   c. Members holding shares in Physical Form should enter Folio Number registered with the Company
4. Next enter the Image Verification as displayed and Click on Login
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used
6. If you are a first-time user follow the steps given below:

PHYSICAL SHAREHOLDERS AND SHAREHOLDERS OTHER THAN INDIVIDUAL HOLDING SHARES IN DEMAT FORM	
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTAor contact Company/RTA
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field

7. After entering these details appropriately, click on "SUBMIT" tab
8. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
9. For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
10. Click on the EVSN for Orchid Pharma Limited on which you choose to vote
11. On the voting page, you will see " RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

12 Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

13 After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

14. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote

15. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

16. If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

FACILITY FOR NON - INDIVIDUAL SHAREHOLDERS AND CUSTODIANS – REMOTE VOTING

a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

c. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

d. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same

e. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz ; nikitak@orchidpharma.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote evoting.

3. Shareholders who have voted through Remote eVoting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

5. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance **atleast seven days** prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at nikitak@orchidpharma.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance seven days prior to meeting mentioning their name, demat account number/folio number, email id , mobile number at nikitak@orchidpharma.com. **These queries will be replied to by the company suitably by email.**

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

8. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through eVoting system available during the AGM.

9. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to nikitak@orchidpharma.com / info@abhipra.com

2. For Demat shareholders- Please update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meeting through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL eVoting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022- 23058542/43.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, set out the material facts relating to the business mentioned in the accompanying Notice dated June 14,2022

Item No. 3 – Appointment of Statutory Auditors of the Company and fix their remuneration

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), however, the same is strictly not required as per Section 102 of the Act

The Members of the Company at the 24th Annual General Meeting ('AGM') held on September 13,2017 approved the appointment of M/s. CNGSN & Associates LLP, Chartered Accountants ('CNGSN'), as the Statutory Auditors of the Company for a period of five years from the conclusion of the aforesaid AGM. Accordingly, CNGSN will complete their present term on conclusion of the ensuing AGM in terms of the said approval and Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors after evaluating various factors such as industry experience, competency of the audit team, efficiency in conduct of audit and based on the recommendation of the Audit Committee has proposed the appointment of M/s. Singhi & Co., Chartered Accountants), (Firm Registration Number : 302049E), as the Statutory Auditors of the Company. If approved by the Members, the appointment of M/s. Singhi & Co., Chartered Accountants), as the Statutory Auditors will be for a period of five years commencing from the conclusion of this 29th Annual General Meeting(AGM) until the conclusion of the 34th AGM to be held in the year 2027 at such remuneration plus applicable taxes and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Statutory Auditors and duly approved by the Board of Directors of the Company.

Material change in the fee payable to proposed new auditor from that paid to the outgoing auditor along with the rationale for such change

The fee proposed for M/s. Singhi & Co., is Rs. 24 Lakhs+applicable taxes and out of pocket expenses for every financial year viz-a-viz the fee payable to the existing statutory Auditor is around Rs. 30 Lakhs per financial year. The proposed fee has been fixed considering that the Company is under revival post the completion of the CIRP process and after being mutually discussed with the Statutory Auditor.

M/s. Singhi & Co. has been consistently providing high quality service for the last eight decades and has a registered office at Kolkata, Mumbai, Ahmedabad, Delhi NCR, Bengaluru, Nagpur, Chennai and Hyderabad. M/s. Singhi & Co. audits various companies listed on stock exchanges in India.

The Company has received confirmation and consent from Singhi & Co., that they are eligible for appointment under Sections 139 and 141 of the Companies Act, 2013. Based on the recommendation of the Audit Committee, the Board recommends appointment of statutory auditor, as set out in the resolution in Item no. 3 for approval of the members as an ordinary resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No.3 of the Notice.

Item No. 4 – Ratification of remuneration to Cost Auditor

The Audit Committee and the Board of Directors of the Company at their meetings held on May 12, 2022 have approved the appointment of Shri J Karthikeyan, Cost Accountant [Membership No. 29934, Registration Number - 102695], Chennai, as the Cost Auditors of the Company to conduct the audit of the Cost records of the Company with regard to Pharmaceuticals (Bulk Drugs & Formulations) for the Financial Year 2022-2023.

In accordance with the Provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No.4 of the Notice to ratify the remuneration of Rs.2,00,000/- (Rupees Two Lakhs Only) plus applicable taxes and re-imbursement of out of pocket expenses to Shri J Karthikeyan, Cost Auditor towards audit of the Cost records of the Company with regard to Pharmaceuticals (Bulk Drugs & Formulations) for the Financial Year 2022-2023 which has been duly approved by the Board of Directors after considering the recommendation made by the Audit Committee of the Company at the meeting held on May 12,2022.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No.4 of the Notice.

In terms of Regulation 17 (11) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company recommends passing of the Ordinary Resolution set out in Item No. 4 to the shareholders of the Company

Item No. 5 – Approval for Material Related Party Transactions with M/s Otsuka Chemicals (India) Private Limited

Pursuant to the Provisions of Section 188 of the Companies Act, 2013 ("the Act"), read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules'), the Company is required to obtain consent of the Board of Directors and prior approval of the members by way of Ordinary resolution, in case certain transactions with related parties exceeds such sum as specified in the said Rules. The aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and on arm's length basis.

However, pursuant to Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') approval of the members through resolution passed at General Meeting is required for all Material related party transactions, even if they are entered into in the ordinary course of business and on arm's length basis. For this purpose, a transaction is considered material, if the transaction/transactions to be entered into individually or taken together with previous transactions during a Financial Year exceeds Rupees one thousand crores or 10% of the Annual consolidated turnover of the Company, as per the last audited financial statements of the Company, which ever is lower. Further, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% of the Annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

M/s. Otsuka Chemicals (India) private Limited is a 'Related Party' within the meaning of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has existing transactions with M/s. Otsuka Chemicals (India) private Limited, which is in the ordinary course of business and at arm's length basis. Otsuka Chemical (India) Private Limited is the only approved source of the Key Raw Material GCLE for Orchid. Even before the takeover by Dhanuka group, Otsuka was the only approved source for this product. It is only incidental that after Dhanuka's takeover, this transaction has become a related party transaction by virtue of Mr. Manish Dhanuka, Managing Director of Orchid Pharma Limited is also a Director in Otsuka Chemical (India) Private Limited & Mr. Mridul Dhanuka, Whole Time Director is a Member of Otsuka Chemicals (India) Private Limited. Moreover, Otsuka also buys the end product produced from GCLE for its global requirements from Orchid under a long-term supply contract. The proposed RPTs with Otsuka will help the Company achieve economies of scale and will be in the best interest of the members.

However, the estimated value of transaction in respect of transactions with M/s. Otsuka Chemicals (India) private Limited for the financial year 2022-2023 is likely to exceed 10% of the Annual consolidated turnover of the Company as per the last Audited financial statements of the Company or Rs.1000 Crores, whichever is lower and may exceed the materiality threshold as prescribed under Regulation 23 of the Listing Regulations. Thus, these transactions would require the prior approval of the Members by way of Resolution at the General Meeting and therefore approval of the Members is sought to enable the Board for entering into new/further contracts/ arrangements/ agreements/ transactions for the financial year ended 2022-2023 subject to the limits mentioned in the table below. The value of Related Party transactions with Otsuka Chemicals (India) Private Limited for the period commencing from April 01, 2022 till the date of this Notice has not exceeded the materiality thresholds and the Company will ensure that the same does not exceed the aforesaid threshold up to the date of the 29th AGM, i.e. July 15, 2022.

The relevant information pertaining to transactions with Otsuka as required under Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended and SEBI circular vide. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 is given below:

Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	
Name of the related party	M/s. Otsuka Chemicals (India) private Limited
Name of the director or Key Managerial Personnel who is related, if any;	Shri Manish Dhanuka, Managing Director,Shri Mridul Dhanuka, Whole Time Director, Mr Arun Kumar Dhanuka, Non-Executive Director,Brother (relative) of Mr Manish Dhanuka
Nature of relationship	Shri Manish Dhanuka is a Director on M/s. Otsuka Chemicals (India) Private . Ltd. Shri Mridul Dhanuka is a Member of M/s. Otsuka Chemicals (India) Private Ltd.
Aggregate maximum value of the contract/ arrangement per transaction in any financial year	Aggregate Upto Rs. 130 Crores (Rupees One hundred and thirty Crores Only) for the financial year 2022-2023
Nature, type, material terms, monetary value and particulars of the contract or arrangements	The proposed transactions relate to supply of raw material which shall be governed by the Company's Related Party Transaction Policy and shall be approved by the Audit Committee within the overall limits approved by the Members.
Tenure of the proposed transaction	Contracts/arrangements with a duration upto 1 year
Any other information relevant or important for the members to take a decision on the proposed resolution.	All the transactions are on recurring basis and on arm's length basis and in the ordinary course of business. The transactions are based on Purchase Orders issued from time to time.
The percentage of the Orchid's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	23.38%
Justification as to why the RPT is in the interest of the listed entity;	The details are provided in the foregoing paragraphs
Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;	18.90%
A copy of the valuation or other external party report, if any such report has been relied upon	The transactions do not contemplate any valuation.
Where the transaction relates to any loans, intercorporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details specified under point4(f) of the aforesaid circular	Not Applicable

As per Listing Regulations, all entities falling under the definition of Related Parties shall not vote to approve the relevant transaction irrespective of whether the entity is a party to the particular transaction or not and accordingly the Promoters shall not vote on the resolutions set out at Item No.5.

Mr. Mridul Dhanuka, Whole Time Director of the Company holds shares in Otsuka Chemicals (India) private Limited, however, his shareholding is not in excess of 2% of total shareholding of Otsuka Chemicals (India) private Limited.

Except for Mr. Manish Dhanuka, Managing Director (Director on Board of M/s. Otsuka Chemicals (India) private Limited) and Mr. Mridul Dhanuka, Whole Time Director (Member of M/s. Otsuka Chemicals (India) private Limited) and their relatives, None of the Directors and Key Managerial Personnel or their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution except may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company, if any. The said transaction(s)/contract(s)/arrangement(s) have been recommended by the Audit Committee The Board considers that the proposed related party transactions with M/s. Otsuka Chemicals (India) private Limited play a significant role in the Company's business operations and accordingly the Board recommends the Ordinary Resolution as set out in Item No. 5 of this Notice for approval of the Members. This Explanatory statement may also be regarded as a disclosure under SEBI (LODR) Regulations, 2015.

Annexure-1

DETAILS OF DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING IN ACCORDANCE WITH REGULATION 36 (3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS 2 (SS 2) ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

Shri Ram Gopal Agarwal, Chairman and Non-Executive Director

Particulars	**Item No. 2**
	**Shri Ram Gopal Agarwal** (DIN: 00627386)
Name , Age & Nationality of the Director	Shri Ram Gopal Agarwal (DIN: 00627386), Indian, 73 years
Date of Birth	30.07.1949
Qualification	B.Com (Honours)
Brief resume, expertise in specific functional areas	Shri Ram Gopal Agarwal has a distinguished corporate career .Shri Ram Gopal Agarwal is a Whole Time Director at M/s. Dhanuka Agritech Limited and he is founder chairman of Dhanuka Group. He is a decisive and action oriented visionary who took over a sick pesticide Company named Northern Mineral Pvt. Ltd. in 1980 and transformed it today into an Rs 1000 Crore organization called Dhanuka Agritech Ltd. His deep commitment and inspiring leadership in initial turbulent days is an example worth inculcating and his passion to contribute to Indian Agriculture is commendable. With his innovative ideas, able leadership and utmost sincerity, he has raised the Company to new heights of success. He has expertise in the field of Agrochemicals Industry. He is also associated with some of the highly recognized establishments of the country as Chairman, Sub- Committee (Crop Protection Chemicals) of Federation of Indian Chambers of Commerce and Industry (FICCI), Chairman Advisory Committee Crop Life India & Member of Agro Chemical Federation of India. He has also been awarded with many prestigious awards including Lifetime achievement award from Amity University for excellence in Agro Industry and Business Leader of the Year by Global Leaders Conclave in 2021.
Date of first appointment on the Board	March 31, 2020
List of other Public companies in which Directorships held	
Listed Public Company	
M/s. Dhanuka Agritech Limited	Chairman & Whole time Director

Particulars	Item No. 2
Unlisted Public Company	
M/s. Orchid Bio Pharma Limited	Non-Executive Director
Chairman/ Member of the Committee of the Board of Director of the Company	Orchid Pharma Limited-NIL
*Chairman/ Member of the Committee of the other companies in which he is a Director (Audit Committee and Stakeholder's Committee are only considered)	NIL
Number of Shares held in the Company (both own or held by/ for other persons on a beneficial basis) as on March 31, 2022	Nil (Refer Note 1 appended herewith)
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Shri Ram Gopal Agarwal is the Cousin brother of Shri Manish Dhanuka, Managing Director and Shri Arun Kumar Dhanuka, Non-Executive Director. Shri Mridul Dhanuka, Wholetime Director, is the nephew of Shri Ram Gopal Agarwal. Except as stated above, Shri Ram Gopal Agarwal is not related to other Directors and Key Managerial Personnel of the Company
Number of meetings attended during the year	2 (Two) Meetings out of 7 (Seven) meetings
Resignation details in the listed entities during the last three years.	Nil
Terms and conditions of appointment along with details of remuneration sought to be paid	Shri Ram Gopal Agarwal is entitled only to the sitting fee for attending the Board meeting which is fixed at Rs.25,000/-(Rupees Twenty five thousand Only) per Board Meeting .
Note 1 – As on March 31, 2022, M/s Dhanuka Laboratories Limited holds 89.96% of shares in the Company where Shri Ram Gopal Agarwal, is a member. Shri Ram Gopal Agarwal is also one of the Significant Beneficial Owners of M/s Dhanuka Laboratories Limited	

OrchidPharma
— A Dhanuka Group Company —

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Tel: (91)-44-2821 1000, Fax: (91)-44-28211002
CIN: L24222TN1992PLC022994
Email: corporate@orchidpharma.com
Web: www.orchidpharma.com