



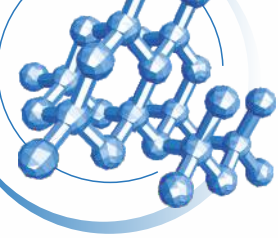
ANNUAL REPORT

2020-21

OrchidPharma 
— A *Dhanuka Group* Company —

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, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. 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.



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

"appointed on 29.06.2020"

Dr Dharam Vir, Independent Director

"appointed on 29.06.2020"

Shri Mudit Tandon, Independent Director

"appointed on 29.06.2020"

Shri Manoj Kumar Goyal, Independent Director

"appointed on 29.06.2020"

Management Team

Shri Sunil Kumar Gupta, Chief Financial Officer

Dr U P Senthilkumar, Senior Vice President-Process Research

Dr R J Sarangdhar, Unit Head – API & FDF (Senior General Manager)

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

Integrated Registry Management Services Private Limited

2nd Floor, Kences Towers,

No. 1, Ramakrishna Street, North Usman Road,

T. Nagar, Chennai- 600 017, Tamil Nadu

Ph. : +91-44-2814 0801 Fax : +91-44-28142479

Banks / Financial Institutions

State Bank of India

Union Bank of India

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



Smt Tanu Singla
Independent Director



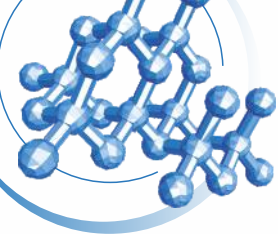
Dr Dharam Vir
Independent Director



Shri Manoj Kumar Goyal
Independent Director



Shri Mudit Tandon
Independent Director



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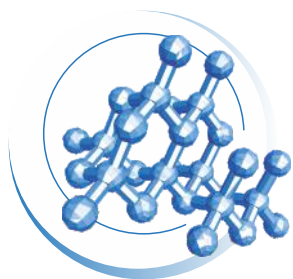
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Board's Report

Dear Members

Your Board of Directors have pleasure in presenting the Twenty Eighth (28th) Directors' Report together with the Audited Financial Statements of the Company for the Financial Year ended March 31, 2021.

Brief background & Successful implementation of the approved Resolution Plan

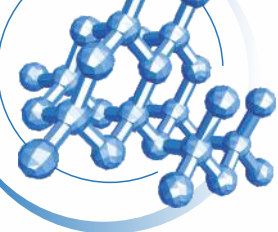
The Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT") vide its order dated June 25/27, 2019 approved the Resolution Plan submitted by M/s Dhanuka Laboratories Limited ("Successful Resolution Applicant") under Section 31 of the Insolvency and Bankruptcy Code, 2016. Thereafter, one of the unsuccessful bidders filed an application before the Hon'ble NCLT seeking to consider his Resolution plan by the Resolution Professional (RP) and Committee of Creditors (COC) which was dismissed by the Hon'ble NCLT, Chennai Bench on June 27, 2019. Pursuant to the said order of dismissal, the said unsuccessful bidder preferred an appeal before the Hon'ble National Company Law Appellate Tribunal (NCLAT) and the Hon'ble NCLAT, New Delhi stayed the order dated June 27, 2019 passed by the Hon'ble NCLT, Chennai. The Hon'ble NCLAT on November 13, 2019 set aside the order passed by the Hon'ble NCLT, Chennai approving the Resolution plan and remitted the matter back to Hon'ble NCLT, Chennai for decision in accordance with law. However, one of the financial creditors filed an appeal against the Order dated November 13, 2019 of the Hon'ble NCLAT before the Hon'ble Supreme Court of India. After hearing the matter, a final Order was passed by the Hon'ble Supreme Court of India on February 28, 2020 and it upheld the NCLT Order dated June 27, 2019 and this paved way for the implementation of the Resolution Plan submitted by Dhanuka Laboratories Limited (DLL). Post the Acquisition, a new Board was constituted on March 31, 2020 ("Reconstituted Board" or "Board") and a new management has been put in place. In accordance with the provisions of the Code and the NCLT & Supreme Court of India Orders, the approved resolution plan is binding on the Company and its employees, members, creditors, guarantors and other stakeholders involved.

Financial summary / Performance /State of Company's affairs

The Highlights of the standalone and consolidated financial results for the Financial Year 2020-2021 as per the IND AS are given below:-

IND-AS (Rs. Crores)

Particulars	Standalone		Consolidated	
	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
Sales & Operating Income	450.70	481.21	450.06	483.80
Other Income	6.48	24.28	15.23	24.28
Total Expenditure	392.81	471.88	400.28	455.68
Gross Profit /(Loss)	64.37	33.61	65.01	52.40
Interest & Finance Charges	51.34	4.16	51.34	4.16
Gross Profit after Interest but before Depreciation and Taxation	13.03	29.45	13.67	48.24
Depreciation	108.90	117.91	108.92	117.93
Profit / (Loss) before Tax, and extraordinary items	(95.87)	(88.46)	(95.25)	(69.69)
Exceptional items - [Income / (Expenditure)]	-	-	-	-



Particulars	Standalone		Consolidated	
	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
Profit / (Loss) Before Tax	(95.87)	(88.46)	(95.25)	(69.69)
Current & Deferred Tax	-	-	-	-
Profit / (Loss) after Tax - Continuing Operations	(95.87)	(88.46)	(95.25)	(69.69)
Loss from discontinued operations after tax	(21.28)	(61.38)	(21.28)	(61.38)
Loss for the year	(117.15)	(149.84)	(116.53)	(131.07)
Re-measurement of post-employment benefit obligations	0.60	(1.89)	0.60	(1.89)
Gain / (Loss) on fair valuation of the Investments	0.07	(0.13)	0.07	(0.13)
Comprehensive Loss for the Year	(116.48)	(151.86)	(115.86)	(133.09)

Standalone Financials

During the financial year 2020-2021, your Company achieved a turnover and operating income of Rs. 450.70 crores against Rs. 481.21 crores in 2019-2020. The Gross Profit before interest, depreciation and taxes during the year stood at Rs. 64.37 crores against a Gross Profit of Rs.33.61 crores in 2019-2020. After providing for interest expense, depreciation, exceptional item, the Loss before tax of the Company for the year was Rs. 95.87 Crores against Rs. 88.46 crores in 2019-2020. The Comprehensive Loss stood at Rs.116.48 crores during 2020-2021 against Rs. 151.86 crores in 2019-2020.

Consolidated Financials

During the financial year 2020-2021, your Company achieved a turnover and operating income of Rs. 450.06 crores as against Rs. 483.80 crores in 2019- 2020. The Gross Profit before interest, depreciation and taxes during the year stood at Rs. 65.01 crores against a Gross Profit of Rs. 52.40 crores in 2019- 2020. After providing for interest expense, depreciation, exceptional item, the Loss before tax of the Company for the year was Rs. 95.25 Crores against a loss of Rs. 69.69 crores in 2019-2020. The Comprehensive Loss stood at Rs. 115.86 crores during 2020-21 against a loss of Rs. 133.09 crores in 2019-2020. 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.450.70 crores but could not achieve gross margins due to the reduced turnover.

Capex and liquidity

During the year, the Company has spent Rs. 3.91 crores on Plant & Equipment, etc, largely towards balancing facilities and essential sustenance capital items. As on March 31, 2021, the long-term secured financial facility availed by the Company is Rs. 364 crores. During the reporting period, the Company had availed a short secured financial facility of Rs. 50 crores as an LC facility.

Implementation of the Resolution Plan and Material events during the year under review.

The Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT") vide its order dated June 25/27, 2019, the Hon'ble National Company Law Appellate Tribunal vide its Order dated November 13, 2019 and the Hon'ble Supreme Court vide its Order dated February 28, 2020 (received on March 02, 2020) has approved the resolution plan ("Resolution Plan") of DLL under MA /579 /2019 in CP /540 /IB /2017 in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016. In accordance with the approved resolution plan, the following matters have been discussed and approved by the members of the Monitoring Committee at their meeting held on ~ March 30, 2020 and March 31,2020 (prior to effective date) and the corporate actions for the same were effected during the financial year 2020-2021.

- Reduction and Consolidation of Share Capital of the Company from INR 88,96,43,270/- (Rupees Eighty Eight Crores Ninety Six Lakhs Forty Three Thousand Two Hundred Seventy only) consisting of 8,89,64,327 (Eight Crore Eighty Nine Lakhs Sixty Four Thousand Three Hundred Twenty

Seven) equity shares of INR 10 (Rupees Ten only) each to INR 40,81,640 /- (Rupees Forty Lakhs Eighty One Thousand Six Hundred Forty only) consisting of 4,08,164 (Four Lakh Eight Thousand One Hundred Sixty Four) equity shares of INR 10 (Rupees Ten only), thereby cancelling and extinguishing 8,85,56,163 equity shares of Rs. 10/- each.

b. Allotment of 4,08,164 Equity Shares of Rs.10 each at an issue price of Rs. 10 each (fully paid) to the eligible Secured Financial Creditors for the conversion and settlement of part of their Debt.

c. Allotment of 3,99,90,072 (Three Crore Ninety Nine Lakhs Ninety Thousand and Seventy Two) equity shares at 10/- per share for cash to Dhanuka Laboratories Limited (“DLL”).

d. Allotment of 10,000 equity shares of Rs.10/- each pursuant to Scheme of Amalgamation to Dhanuka Laboratories Limited (“DLL”).

Further, the approval for reclassification of erstwhile Promoters as “Public” was accorded by the NSE Limited and BSE Limited on June 15, 2021.

Future Outlook

It is been more than a year 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 organisation 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, in spite 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 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations 2015) 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.

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, Orchid's cumulative New Drug Application (ANDA) approvals for the US market stood at 40. This includes 8 Para IV FTF (First-To-File) filings. The break-up of the total ANDA approvals is 11 in Cephalosporins segment and 29 in NPNC space.

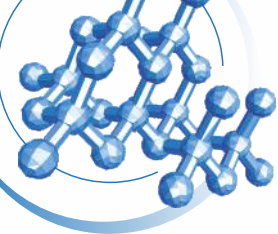
In the European Union (EU) region, the cumulative count of Marketing Authorisation (MA) active approvals stood at 2 in the NPNC segment. In the API (Active Pharmaceutical Ingredients) domain, Orchid's cumulative filings of US DMF stand at 76. The break-up of the total filings is 28 in the Cephalosporin Segment and 48 in NPNC segment. In European market space the cumulative filings of COS (Certificate of Suitability) count remained at 19 which includes 14 in cephalosporin segment and 5 in NPNC segment. In Japan market, the cumulative filings of JDMFs count remained at 7 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 40 including Process & New Chemical Entities (NCE). Out of 40 patents, 26 patents have been granted, 12 patent applications are published and 2 patent applications filed as of March 31, 2021.

Dividend & Reserves

In view of the net loss incurred during the financial year ended March 31, 2021, the Board does not recommend any dividend to the shareholders of the Company. Also, no amount has been transferred to the reserves.



Dividend Distribution Policy

Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), 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 weblink 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., <http://www.orchidpharma.com/downloads/Dividend%20Distribution%20policy.pdf>

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

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 reconstituted Board has decided to wind up this entity.

There are no Companies / Bodies Corporate which have become/ ceased to be subsidiary / Joint Venture / Associate during the financial year 2020-2021. However, your Company has subscribed to 2,600 equity shares of Rs.10/- each constituting 26% of paid up equity share capital of M/s OrBion Pharmaceuticals Private Limited during the financial year 2021-2022 by virtue of which the Company has become an Associate of your Company.

Highlights of the performance of subsidiaries and 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.

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 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

Pursuant to the implementation of the approved Resolution plan, the Board was reconstituted on March 31, 2020. Shri Ram Gopal Agarwal, Shri Manish Dhanuka, Shri Mridul Dhanuka and Shri Arun Kumar Dhanuka were appointed as an Additional Directors (Non-Executive, Non-Independent) of the Company as on March 31, 2020 and regularized as Director by the Members of the Company at 27th Annual General Meeting held on December 30, 2020.

Further, Shri Ram Gopal Agarwal was re-designated as Chairman of the Company, Shri Manish Dhanuka was re-designated as Managing Director of the Company and Shri Mridul Dhanuka was re-designated as Executive Director (Whole Time Director) of the Company at the Board Meeting held on June 29, 2020.

All the Independent Directors were appointed as Additional Directors of the Company on June 29, 2020 and regularized as Directors (Independent) by the Members of the Company at 27th Annual General Meeting held on December 30, 2020. None of the Directors of the Company are disqualified under Section 164(2) of the Companies Act, 2013.

Shri. Sunil Kumar Gupta was appointed as the Chief Financial Officer of the Company with effect from June 29, 2020.

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 Arun Kumar Dhanuka (DIN: 00627425) Non-Executive Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

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 www.orchidpharma.com under the "Investors" section.

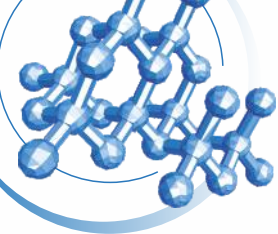
Board meetings held during the year

During the year, 4 meetings of the Board of Directors were held. The Board Meetings were held in accordance with provisions of the Companies Act, 2013 and the relevant rules made there under. The details of the 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, 2021, 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, 2021 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, 2021 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 http://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 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the Board after taking these declaration/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 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.

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 SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, 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 <http://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 are on arm's length basis. There were no 'material' contracts or arrangements or transactions and therefore disclosure in form AOC-2 is not applicable.

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 <http://www.orchidpharma.com/downloads/Orchid%20CSR%20Policy-approved.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.

Your Company has undertaken in a small manner the CSR activities voluntarily on Education, Health, Youth development and Women Empowerment during the financial year 2020-2021 through "Orchid Trust".

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, 2021 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 a risk management mechanism in place to manage uncertainties through identification, analysis, assessment, implementing and monitoring to reduce the impact of risks to the business which was 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, 2021.

Details regarding deposits, covered under Chapter V of the Act

During the Financial Year 2020-21, 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. Further, an Order was passed by the Honourable NCLT, Chennai Bench on September 15, 2020 pertaining to the Resolution plan.

Vigil Mechanism (Whistle Blower Policy)

Your Company has established a vigil mechanism that enables the Directors & the Employees report genuine concerns. 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. The Policy is available on the website of the Company and the web link for the same is <http://www.orchidpharma.com/downloads/Policy%20on%20Whistle%20Blower.pdf>

Policy for determining material subsidiaries

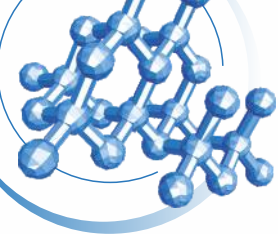
Your Company has framed a Policy for determining material subsidiaries in compliance with Regulation 16 (1) (c) of the Listing Regulations, 2015, in order to determine the material subsidiaries of the Company and the same is available at the website of the Company and the web link for the same is <http://www.orchidpharma.com/downloads/Policy%20for%20determining%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

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, Nano Filtration, Reverse Osmosis, Solvent Stripping Column, Thermal Evaporation & Crystallization plant will 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 nano filtration to separate divalent ions. The permeate of nano filtration passes through reverse osmosis to separate monovalent ions. The permeate of reverse osmosis is utilized in the cooling towers as make up water. The reject from the reverse osmosis plant and nano filtration 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 stripping column having sieve trays with a height of 21 meters to enrich the traces of solvents to the level of 70% using steam energy for further usage. The effluent from the bottom of stripping column is sent to Mechanical Evaporators (Single stage, Three stage and Five stage) to concentrate the salts to the level of 35%. 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 and stored in protected storage sheds for further disposal in Government approved landfill sites.

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.

Hazardous waste Management

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

World Environment Day Celebration

World Environment Day was celebrated on 5th June 2020 by planting trees with in our factory premises to create awareness on environment.

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 are safe. Orchid established a comprehensive crises 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.

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.7 & 15 to Standalone financial statements for the financial year 2020-2021.

Suspension of Trading

The details pertaining to suspension of trading in shares of the Company during the reporting period are disclosed in the Corporate Governance report annexed to this report.

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, except the fact as disclosed in the section Brief background & Successful implementation of the approved Resolution Plan.

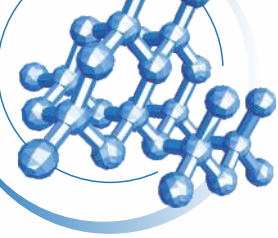
The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof

Not Applicable to the company.

Statutory Auditors

The Statutory Auditors, M/s. CNGSN & Associates LLP, Chartered Accountants have been appointed for a period of five (5) years from the conclusion of 24th Annual General Meeting held on September 13, 2017 till the conclusion of 29th Annual General Meeting proposed to be held in 2022.

The resolution seeking approval for remuneration to M/s. CNGSN & Associates LLP, Chartered Accountants, the Statutory Auditors of the Company for the four financial years from 2018-2019 to 2021-2022 has been obtained at the 25th AGM held on December 12, 2018 and the members have empowered the Audit Committee and the Board to fix their remuneration.



Auditors' Report

The Auditors have audited the standalone and consolidated financial statements of the Company for the financial year ended March 31, 2021 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, 2021 are given in **Annexure VIII** 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 2020-2021. 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 2021-22.

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.

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 2020-21, 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 2020-2021 is under progress and will be filed with the Central Government within the stipulated timeline and the relevant Cost Audit reports for FY 2019-2020 were filed within the due date to the Central Government. 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 22, 2021, 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 2021-2022 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.

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 during the CIRP period and for their wholehearted mandate for approving a resolution plan and for the revival of your Company's businesses. 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

Manish Dhanuka
Managing Director
DIN: 00238798

Mridul Dhanuka
Whole Time Director
DIN: 00199441

Place: Gurgaon
Date : July 15, 2021

Management Discussion and Analysis

1. Economic Overview – Global

According to OECD Economic Outlook report, prospects for the global economy have improved considerably, but to a different extent across economies. In the advanced economies, the progressive rollout of an effective vaccine has begun to allow more contact-intensive activities – held back by measures to contain infections – to reopen gradually. At the same time, additional fiscal stimulus this year is helping to boost demand, reduce spare capacity and lower the risks of sizeable long-term scarring from the pandemic. Some moderation of fiscal support appears likely in 2022 on current plans, but improved confidence and fewer public health restrictions should encourage households to spend. However, in many emerging-market economies, slow vaccination deployment, further infection outbreaks, and associated containment measures, will continue to hold down growth for some time, especially where scope for policy support is limited.

The world economy has now returned to pre-pandemic activity levels, but will remain short of what was expected prior to the crisis by end-2022. Some other emerging-market economies, including India, may continue to have large shortfalls in GDP relative to pre-pandemic expectations and are projected to grow at robust rates only once the impact of the virus fades.

Signs of higher input cost pressures have appeared in recent months, but sizeable spare capacity throughout the world should prevent a significant and sustained pick-up in underlying inflation. The recent upturn in headline inflation rates reflects the recovery of oil and other commodity prices, a surge in shipping costs, the normalisation of prices in hard-hit sectors as restraints are eased, and one-off factors such as tax changes, and should ease in the near term. With unemployment and employment rates unlikely to attain their pre-pandemic levels until after end-2022 in many countries, there should be only modest pressures on resources over the coming 18 months.

Economic Overview-India

According to the Indian Economic Survey 2021, the domestic market is expected to grow 3x in the next decade. India's domestic pharmaceutical market is estimated at US\$ 42 billion in 2021 and likely to reach US\$ 65 billion by 2024 and further expand to reach ~US\$ 120-130 billion by 2030. India is the largest provider of generic drugs globally.

Indian pharmaceutical sector supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in the UK. Globally, India ranks 3rd in terms of pharmaceutical production by volume and 14th by value. The domestic pharmaceutical industry includes a network of 3,000 drug companies and 10,500 manufacturing units. India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers with a potential to steer the industry ahead to greater heights. Presently, over 80% of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms.

India's biotechnology industry comprising biopharmaceuticals, bio-services, bio-agriculture, bio-industry, and bioinformatics. The Indian biotechnology industry was valued at US\$ 64 billion in 2019 and is expected to reach US\$ 150 billion by 2025.

2. Opportunities and Threats

Opportunities

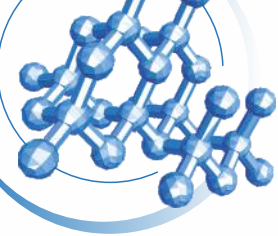
The global active pharmaceutical ingredients (API) market reached a value of US\$ 200.6 billion in 2020. The global API market is extremely competitive with a number of large and small manufacturers. Catalyzed by lower costs, API manufacturing has gradually been shifting from the historical leaders in Western countries to manufacturers based in India and China.

India is expected to become the second largest COVID-19 vaccine manufacturer, after the US, given its capacity to produce for its local population and to export to other countries. India's track record for vaccine manufacturing predates the pandemic, which means that scalable plans for contract manufacturing to meet global demand is as good as an industry given.

The global demand of APIs is currently exhibiting strong growth and Orchid Pharma Limited is well positioned to capture such opportunity in the API market. India's generic drug producers hold a strong position in the global supply chain and play an integral role in developing the pharmaceutical industry.

Threats

The COVID-19 pandemic exposed weaknesses in the industry's global supply chain and while consumer confidence is recovering, it is nowhere near normal levels just yet. 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.

While global pharmaceutical supply chains did not collapse under the pressure of COVID-19, the 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. The supply chain may also be vulnerable to intentional disruption by cybercriminals. Moreover, poor visibility and transparency in the supply chain may make a number of these challenges worse.

3. 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 (in Tons)	Value (Rs in Lakh)	Quantity (in Tons)	Value (Rs in Lakh)
2019-20	183.82	29239.92	93.03	16601.45
2020-21	161.19	27157.89	116.81	16534.20

Orchid Pharma Limited also has Formulation Business. In the current year, it has been reported and classified as "Non-Current Asset held for Sale" in the Annual Report. Due to such classification as on the date of reporting it has not been considered as a separate segment for disclosure of Product Wise Performance.

4. Outlook

API manufacturing

Due to the severe shortage caused by supply chain disruption due to the COVID situation, API manufacturers in 2021 will reshape their supply chain strategies by adopting multiple suppliers and increasing reliance on regional manufacturers. New regulations can be seen in the domestic supply of essential APIs to ensure the "country of origin". Also, there will be a good inclination among manufacturers toward achieving global quality standards for medicines. Such initiatives by API manufacturers will strengthen the availability of raw materials and APIs in the upcoming years.

Investments in CROs are increasing and paving way for new products. The penetration of CROs in the pharma industry would increase in 2021. With increasing mergers and acquisitions, CROs will grow significantly this year. As pharma companies are increasingly adopting globalisation, CROs are also expected to go global to expand their reach. With increasing adaptation towards remote working and digitalisation, leaderships and managements of industries are expected to invest huge capital in Artificial Intelligence (AI) and technology in 2021.

The usefulness of Artificial Intelligence (AI) in identifying candidates for vaccines and trials, conducting virtual trials,

R&D, supply chain and manufacturing are the major factors that will boost the willingness of industries to invest in Artificial Intelligence. This along with digitisation will fill up the pipelines in 2021 by enhancing the quality of existing drugs, creating new drugs and promoting the best services in the pharma industry.

5. Risks and Concerns

All businesses are subject to internal as well as external risks. The internal risks are controllable risks and Orchid has identified such risks and is in the process of formulating such actions to mitigate the effect of such risks. The extent to which COVID-19 pandemic will impact the operations and financial results is dependent on the future developments, which are highly uncertain. This is a major risk in the immediate future and its long term impact needs to be assessed. The global and Indian pharmaceutical industry continues to be regulated by various regulatory agencies. Stringent regulatory norms, delay in obtaining regulatory approvals for key products, patent litigations, currency fluctuations and pricing guidelines in the domestic market are risks that can affect the Company's business. Hence, the regulatory risk is one of the significant risks identified by the management. Being a global pharmaceutical player, selling branded generic and generic formulations across the globe, competition and price pressures are common risk in all

markets. Higher focus on API supply may impact the Company's momentum and operating margins. Orchid's operations span across the globe having diverse political and economic environments. Any adverse change like political instability leading to policy uncertainty, tariff/ trade wars, economic sanctions, leading to weakening of Global economy may impact company's business. The risk management activities also include assessment and review of financial risks such as currency risks, credit risks and liquidity. Legal and Compliance risks which may arise out of non-compliance with applicable laws, regulations, standards and policies that could impact the Company's reputation and business. Information Technology (IT) risks which could have potential impact on information assets and processing systems. Orchid's integrated risk management approach comprises prudential norms and structured reporting and controls. This approach conforms with the Company's strategic direction and is consistent with stakeholders' desired total returns, credit rating and risk appetite.

6. 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. The Board and Audit Committee ensure that the internal financial control system operates effectively and they regularly review the effectiveness of internal control system in order to ensure due and proper implementation and due compliance with applicable laws, accounting standards and regulatory norms.

7. Discussion on Financial Performance with respect to Operational Performance

Financial Overview - Profitability

From Continuing Operations

- During the year ended on March 31, 2021, the EBITDA of the Company was at Rs.63.64 Crore as against EBITDA of Rs.9.43 Crore during the previous year ending on March 31, 2020 (excluding interest income).
- The net loss of the Company before Extra-ordinary items & Tax for the year ended on March 31, 2021 stood at Rs.95.87 Crore as against Rs.88.46 Crore during the previous year ending on March 31, 2020.

From Discontinuing Operations

- The net loss of the Company from IKKT division for the year ended on March 31, 2021 stood at Rs.21.28 Crore as against Rs. 61.38 Crore during the previous year ending on March 31, 2020.

EPS for Company

- EPS for the year ending on March 31, 2021 (before extraordinary items) stood at a negative Rs. 28.70 as compared to a negative Rs. 16.87 for the previous year ending on March 31, 2020.

Components of Revenue & Expenditure

From Continuing Operations

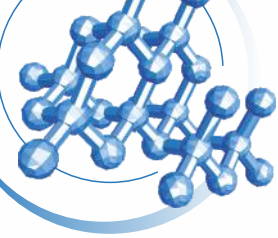
- The operating revenues for the year 2020-21 was Rs. 450.70 Crore as against Rs. 481.21 Crore during the previous year ending on March 31, 2020.
- Material cost for the year ended March 31, 2021 was Rs. 244.96 Crore (54.4% of the Operating revenues) as compared to Rs. 220.38 Crore (45.8% of the Operating revenue) during the previous year ending on March 31, 2020.
- The other operating cost, including employee cost for the year ended March 31, 2021 was Rs. 163.54 Crore as against Rs.271.57 Crore during the previous year ending on March 31, 2020.
- The Finance cost for the year ended March 31, 2021 was Rs. 51.34 Crore as compared to Rs.4.16 Crore during the previous year ending on March 31, 2020.
- The Depreciation & Amortisation for the year ending March 31, 2021 was Rs. 108.90 Crore as compared to Rs.117.91 Crore during the previous year ending on March 31, 2020.

Balance Sheet

- The Equity and Reserves as at March 31, 2021 stood at Rs.681.34 Crore as compared to Rs.797.83 Crore as at March 31, 2020.
- The total borrowings as at March 31, 2021 stood at Rs.452.74 Crore as compared to Rs.566.39 Crore as at March 31, 2020.

8. 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 over 1100+ Orchidians. The Company acknowledges the indispensable role of Orchidians in driving continued success.



9. Details of Significant Changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios along with detailed explanations:

RATIOS FOR INCLUSION- FY 2020-21 and FY 2019-20 (Continuing Operations)

All Amount in INR Crore

Particulars	FY 2020-21	FY 2019-20
Debtors Turnover Ratio	2.62	2.91
Inventory Turnover Ratio	1.62	1.42
Interest Coverage Ratio	1.24	2.27
Current Ratio	5.38	4.24
Debt Equity Ratio	0.66	0.71

Operating Profit Margin Ratio and the Net Profit Margin Ratio : Not Applicable during the year under review.

Notes to above ratio:

Debtors Turnover Ratio:

Now company has started offering more credit facilities to the Customers. The same has resulted in lower Debtor Turnover Ratio.

Inventory Turnover Ratio:

The reason for slight change in Inventory Turnover Ratio is due to higher cost of goods sold which has increased due to more sales in Non-Regulated markets/ sale of lower margin products.

Interest Coverage Ratio:

In FY 2019-20 Interest to Financial Creditors was not charged to P&L as Company was under CIRP. However, in the Financial Year 2020-21 the Interest has been charged to P&L on actual basis. This has resulted in lower Interest Coverage Ratio in current year.

Current Ratio:

The Current Ratio has improved mainly due to lower Current Liabilities as compared to last year.

Debt Equity Ratio:

The Debt Equity Ratio has improved mainly due to pre-payment of Term Loan.

10. 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.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimate, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

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 in Alathur

- ❖ Interconnection of -10 brine from Utility-2 to Utility-1 plant thereby stopping additional compressor & its auxiliaries running which resulted in 800 Units per day saving.
- ❖ Changing the Air drier usage from desiccant type to refrigerant type thereby saving around 450 Units per day.
- ❖ Optimisation of cooling water pumps in CT13, CT18 & CT 22 as well as Impeller trimming in CT 20 has resulted in energy savings of 1200 Units per day.
- ❖ Chilled water circulation pump stoppage to Recovery Ph-25 plant from Ph-22 due to changing the brine supply from Utility-1 leading to 500 units per day reduction.
- ❖ Automation of Chiller auxiliaries in Ph-28 Recovery plant has yielded 900 Units per day & Nitrogen air leakage arresting activities yielded around 500 Units per day.
- ❖ Power factor improvement has been done from 0.96 to 0.99 by replacing failed capacitors.
- ❖ Replacement of LED street lights over Metal halide/ Mercury lamps have been done.

Due to the various energy conservation activities implemented, mentioned in (a) above, there was a reduction in power consumption by around 4465 Units per day leading to a saving of around Rs.113 Lakhs annually with an investment of Rs.2 Lakhs.

(b) Proposed energy conservation measures

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

- ❖ Conversion of -40'B' chiller from single stage to double stage.
- ❖ Chiller plant equipment efficiency improvement.
- ❖ Air cooled Radiator performance improvement.
- ❖ Air leakage arresting & Chilled water line Insulation audit and rectification.

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.138 lakhs annually with the investment of Rs.42 lakhs.

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

Third party Power purchase from Exchange-IEX is being done resulting in lesser cost of power compared to TANGEDCO.

It is planned to go for captive Power purchase of Solar & wind energy for the forthcoming financial year which will further reduce the power cost.

(d) Capital Investment on Energy Conservation Equipment

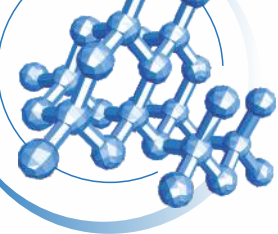
No significant capital investment was made on energy conservation equipment during the Financial Year 2020-21.

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

Place: Gurgaon
Date : July 15, 2021

Manish Dhanuka
Managing Director
DIN: 00238798

Mridul Dhanuka
Whole Time Director
DIN: 00199441



ANNEXURE II – TECHNOLOGY ABSORPTION

I. Research and Development

Research and Development Centre has been involved in the improvement of processes for cephalosporins, technology transfer support to external API manufacturing facility, scale up of process on manufacturing scale and development of process for new cephalosporins (injectable).

R&D Centre 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. R&D 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, R&D has taken up comprehensive analysis of the manufacturing processes of Cephalosporins 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 R & D

The R&D outlay was as follows:

₹ in Lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) Capital	-	-
b) Recurring	480.80	985.90
c) Total	480.80	985.90
d) Total R & D expenditure as a percentage of the total turnover	1.07%	1.95%

III. Technology absorption, adaptation and innovation

I. Research and Development

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

R&D centre has made efforts towards improving the manufacturing processes to achieve cost reduction of Cephalosporin Active Pharmaceutical Ingredients (APIs) and

developing processes for new Cephalosporins. R&D has developed process for recovery of high cost reagent, which would help to reduce the cost of manufacturing the Cephalosporins falling under quaternary salt category. R&D has developed a system for in house treatment of water used in cooling towers.

R&D Centre extended support for transferring the technology to the external NPNC API manufacturing facility and implementing the modified processes to achieve cost reduction of NPNC APIs, apart from supporting with technical challenges as well as analytical requirements for the transferred APIs 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 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. Many impurity standards and working standards were generated apart from characterization of impurities for both Cephalosporin and NPNC categories, to support both filing of dossiers and continuance of commercial manufacturing.

R&D Centre has taken efforts 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.

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

Support extended by R&D centre for transfer of improved technology led to cost reduction in the manufacture of NPNC APIs. Implementation of improved process and support for transfer of technology to the external manufacturing facility helped to progress towards approval of dossiers and commercialization of NPNC products.

Development of process for recovery of reagents and implementation of the process would lead to reduction in the cost of manufacturing of the class comprising quaternary Cephalosporins. Design and development of appropriate system resulted in the cost reduction for the treatment of water used in cooling towers.

Identification of structure of impurities, supply of standards of impurities, investigations for manufacturing of NPNCs, and associated technical support helped progressing towards regulatory approvals and commercialization. Standards of impurities were provided to internal and external customers to support the API business. A large number of analytical methods, validations, method equivalence with pharmacopoeial methods, verification with compendial methods, profiling of drug substances have enabled to progress towards approvals of dossiers and commercialization.

Assessment of potential formation of nitrosamines in trace quantities, and evaluation of genotoxic alert for potential impurities, together with scientific and evidence-based justification have paved way towards supporting the business in various countries.

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

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

Place: Gurgaon

Date : July 15, 2021

Manish Dhanuka

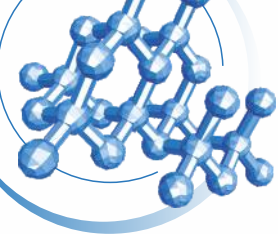
Managing Director

DIN: 00238798

Mridul Dhanuka

Whole Time Director

DIN: 00199441



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**

₹ in Lakhs

	Year ended March 31, 2021	Year ended March 31, 2020
1. Earnings in foreign exchange during the year		
F.O.B value of exports	39,664.05	44,157.12
Export of services (net of TDS)	-	-
2. C.I.F. value of imports (on cash basis)		
Raw materials & Packing materials	16,697.68	14,324.00
Capital goods	-	202.18
Spare parts, components and consumables	73.36	813.49
3. Expenditure in foreign currency during the year (on cash basis)		
Travelling expenses	-	7.39
Interest and bank charges	14.25	21.12
Professional / Consultancy fees	186.71	128.21
Others	321.03	556.54
4. Dividend remittances in foreign currency during the year		
Net dividend	-	-
5. Total foreign exchange used (2+3+4)	17,293.03	16,052.93

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

Place: Gurgaon
Date : July 15, 2021

Manish Dhanuka
Managing Director
DIN: 00238798

Mridul Dhanuka
Whole Time Director
DIN: 00199441

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.

B. Board of Directors

1. Composition and Category of Board

Pursuant to the implementation of the approved Resolution plan, Four (4) Directors (Additional, Non-Executive and Non-Independent Directors) were inducted on the Board on March 31, 2020. Further, the reconstitution of the Board and Committees in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was done at the Board meeting held on June 29, 2020 in the following manner:

Shri Ram Gopal Agarwal, Non -Executive Director was appointed as the Chairman of the Board.

Dr Dharam Vir (DIN: 08771224), Shri Manoj Kumar Goyal (DIN: 0631663), Smt Tanu Singla (DIN: 08774132) and Shri Mudit Tandon (DIN: 08771224) were inducted as Additional Directors (Non-Executive, Independent). The regularization of the above Additional Directors as Directors (Independent Category) was approved by the Members of the Company at 27th Annual General Meeting (AGM) held on December 30, 2020.

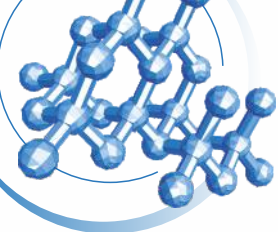
Further, with effect from June 29, 2020, the Board had optimum combination of Executive, Non-executive Directors and Woman Director. The Board comprises of 8 (Eight) Directors, out of which 6 (Six) are Non-Executive Directors, which consists of 4 (Four) Independent Directors (including one Woman Independent Director) and 2 (Two) are Executive Directors.

2. Other Directorships and Committee Memberships

In compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, 2021.

The composition of Board and the details of directorships in other Companies and Committee positions during the Financial Year ended March 31, 2021 are as follows:

Composition of Board of Directors					
S.No	Name(s) of the Directors(s)	Category	Number of Directorship held in other - Public (listed and unlisted) companies as on March 31, 2021	Number of Board Committee positions held in other Companies as on March 31, 2021	
				Member*	Chairman*
1	Shri Ram Gopal Agarwal (DIN:00627386)	Chairman- Non-Executive Director	1	-	-
2	Shri Manish Dhanuka (DIN:00238798)	Managing Director	1	-	-
3	Shri Mridul Dhanuka (DIN: 00199441)	Whole Time Director	2	-	-
4	Shri Arun Kumar Dhanuka (DIN: 00627425)	Non - Executive Director	2	1	-
5	Smt Tanu Singla (DIN: 08774132)	Non-Executive Independent Director	-	-	-



Composition of Board of Directors					
S.No	Name(s) of the Directors(s)	Category	Number of Directorship held in other ~ public (listed and unlisted) companies as on March 31,2021	Number of Board Committee positions held in other Companies as on March 31,2021	
				Member*	Chairman*
6	Dr Dharam Vir (DIN: 08771224)	Non-Executive Independent Director	-	-	-
7	Shri Mudit Tandon (DIN: 06417169)	Non-Executive Independent Director	1	-	-
8	Shri Manoj Kumar Goyal (DIN: 0631663)	Non-Executive Independent Director	-	-	-

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

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

Note: Shri Ram Gopal Agarwal, Shri Manish Dhanuka, Shri Mridul Dhanuka and Shri Arun Kumar Dhanuka were appointed as Additional Directors (Non-Executive, Non Independent) in the Company on March 31, 2020 and regularized as Director by the Members of the Company at 27th Annual General Meeting held on December 30, 2020.

Further, Shri Ram Gopal Agarwal was re-designated as Chairman of the Company, Shri Manish Dhanuka was re-designated as Managing Director of the Company and Shri Mridul Dhanuka was re-designated as Executive Director (Whole Time Director) of the Company at the Board Meeting held on June 29, 2020.

All the Independent Directors were appointed as Additional Directors of the Company on June 29, 2020 and regularized as Directors by the Members of the Company at 27th Annual General Meeting held on December 30, 2020.

Name of the listed company other than Orchid Pharma Limited where the Directors hold Directorship

Shri Ram Gopal Agarwal - M/s. Dhanuka Agritech Limited- Whole Time Director and Chairman

Shri Mridul Dhanuka - M/s. Dhanuka Agritech Limited- Non-Executive Director (w.e.f 29th June 2020)

Shri Arun Kumar Dhanuka - M/s. Dhanuka Agritech Limited- Executive 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 2020-21, Four (4) Board Meetings were held on June 29, 2020, September 07, 2020, November 11, 2020 and February 09, 2021 within the time limits stipulated under the Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations") as amended from time to time.

Name(s) of the Director(s)	Number of Board Meetings held during the Financial year 2020-2021	Number Meetings attended	Whether attended the last AGM (held on December 30,2020)
Shri Ram Gopal Agarwal, Chairman & Non-Executive Director	4	2	Yes
Shri Manish Dhanuka, Managing Director	4	4	Yes
Shri Mridul Dhanuka, Executive Director	4	4	Yes
Shri Arun Kumar Dhanuka, Non-Executive Director	4	4	Yes
Smt Tanu Singla, Independent Director	4	4	Yes
Dr Dharam Vir, Independent Director	4	4	Yes
Shri Mudit Tandon, Independent Director	4	4	Yes
Shri Manoj Kumar Goyal, Independent Director	4	4	Yes

Leave of absence was granted to Shri Ram Gopal Agarwal, Chairman & Non-Executive Director of the Company who had expressed his inability to attend the Board Meeting held on September 07, 2020 and February 09, 2021.

The Board was re-constituted in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by the Board at its meeting held on June 29, 2020.

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 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, 2021, no shares and convertible instruments are held by Non-Executive Directors of the Company. However, as on March 31, 2021, M/s Dhanuka Laboratories Limited holds 98% of shares in the Company 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.

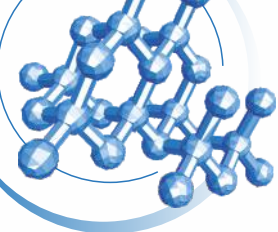
5. Meeting of Independent Directors and familiarization Programme for Independent Directors

A separate meeting of the Independent Directors was held on December 31, 2020, 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 organised Familiarisation Programmes for the Independent Directors of the Company to familiarise 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 <http://www.orchidpharma.com/downloads/Familiarisation%20program%20for%20Independent%20Directors.pdf>

6.(a) Chart or matrix setting out Skill/ Expertise/ Competence of the Board of Directors as on March 31, 2021

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



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	√	√	√	√	√	√	√	√

(b) 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.

(c) Detailed reasons for the resignation of an independent director who resigns before the expiry of his 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 2020-2021.

7. 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 Committee viz., Banking, Finance & Operations Committee and Business Restructuring Committee. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time.

(I) Audit Committee

Pursuant to the implementation of the approved Resolution plan, the Audit Committee was reconstituted by the Board at their meeting held on March 31, 2020. Further, the committee was reconstituted by the Board in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time at their meeting held on June 29, 2020. With effect from June 29, 2020, the Audit committee comprises of Two(2) Non-Executive Independent Directors and One (1) Executive Director (Whole Time Director). The composition of the Audit Committee re-constituted by Board of Directors is as follows:

COMPOSITION OF THE AUDIT COMMITTEE

Name of Committee Members	Designation	Committee position	Date of Appointment
*Shri Manoj Kumar Goyal	Independent	Chairman	29-06-2020
*Smt Tanu Singla	Independent	Member	29-06-2020
#Shri Mridul Dhanuka	Executive-Whole Time Director	Member	31-03-2020

*Shri Manoj Kumar Goyal and Smt Tanu Singla were appointed as Additional Directors of the Company on June 29, 2020 and regularized as Directors (Independent) by the Members of the Company at 27th Annual General Meeting held on December 30, 2020.

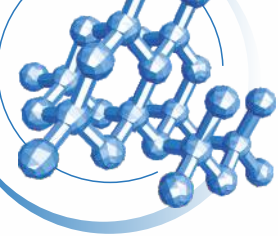
#Shri Mridul Dhanuka was re-designated as Executive Director (Whole Time Director) of the Company at the Board Meeting held on June 29, 2020.

Shri Manish Dhanuka, Managing Director ceased to be a Member of Audit Committee with effect from June 29, 2020.

Meetings and attendance of Audit Committee during the Financial Year 2020-2021

Five (5) Meetings of the Audit Committee were held during the Financial Year 2020-21 on June 29, 2020; September 07, 2020; November 11, 2020; December 31, 2020 and February 09, 2021. 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 Independent Director	Chairman	5	5
Shri Mridul Dhanuka Whole Time Director	Member	5	5
Smt Tanu Singla Independent Director	Member	5	5



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;
- (viii) Monitoring the end use of funds raised through public offers and related matters.

In addition, the committee shall discharge such other role/function as envisaged under Regulation 18 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)

Pursuant to the implementation of the approved Resolution plan, the Nomination and Remuneration Committee was reconstituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time by the Board of Directors of the Company at their Meeting held on June 29, 2020 and further reconstituted on September 07, 2020. Shri Mudit Tandon, Independent Director is the Chairman of the Nomination and Remuneration Committee.

The composition of the Nomination & Remuneration Committee is as follows:

COMPOSITION OF THE NOMINATION AND REMUNERATION COMMITTEE

Name of Committee Members	Designation	Committee position	Date of Appointment
Shri Mudit Tandon	Independent Director	Chairman	29-06-2020
Shri Arun Kumar Dhanuka	Non-Executive Non-Independent Director	Member	31-03-2020
Shri Manoj Kumar Goyal	Independent Director	Member	07-09-2020

Shri Manish Dhanuka, Managing Director (appointed as Member of Nomination and Remuneration Committee on March 31, 2020) ceased to be a Member of Nomination and Remuneration Committee with effect from June 29, 2020 & Smt Tanu Singla, Independent Director (appointed as Member of Nomination and Remuneration Committee on June 29, 2020) ceased to be a Member of Nomination and Remuneration Committee with effect from September 07, 2020.

Shri Mudit Tandon, Shri Manoj Kumar Goyal and Smt. Tanu Singla were appointed as an Additional Directors of the Company on June 29, 2020 and regularized as Directors (Independent) by the Members of the Company at 27th Annual General Meeting held on December 30, 2020.

Shri Arun Kumar Dhanuka was appointed as an Additional Director in the Company on March 31, 2020 and regularized as Director by the Members of the Company at 27th Annual General Meeting held on December 30, 2020.

Meetings and attendance of Nomination & Remuneration Committee during the Financial Year 2020-2021.

One (1) meeting of the Nomination & Remuneration Committee was held during the Financial Year 2020-21 on June 29, 2020. The necessary quorum was present during the Meeting.

Name of Committee Members	Category	Committee position	Date of Appointment
Shri Mudit Tandon	Independent Director	Chairman	29-06-2020
Smt Tanu Singla (till June 29, 2020)	Independent Director	Member	29-06-2020
Shri Arun Kumar Dhanuka	Non-Executive Director	Member	31-03-2020

The brief terms of reference of the Nomination and Remuneration Committee were as follows:

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 recommended to the Board of Directors for their appointment and removal.
5. Whether to extend or continue the terms of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Director.
6. Recommend to the Board of Directors, all remuneration in whatever form payable to senior management.

Performance Evaluation criteria for Independent Directors

The Performance evaluation of Independent Director was carried out by the Non - Independent Directors. 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 judgement, 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 Fees paid to the Directors for the Financial Year 2020-2021 are given below:

Name(s) of the Director(s)	Remuneration paid during the year 2020-2021 (In Rs.)					No. of Stock Options
	Salary & Perquisites	Commission/ bonus	Sitting fees	Others	Total	
Shri Ram Gopal Agarwal, Chairman & Non-Executive Director	—	—	50,000	—	50,000	—
Shri Manish Dhanuka, Managing Director	45,33,333	—	—	5,33,333	50,66,666~	—
Shri Mridul Dhanuka, Executive Director	45,33,333	—	—	5,33,333	50,66,666~	—
Shri Arun Kumar Dhanuka, Non-Executive Director	—	—	1,05,000	—	1,05,000	—
Ms Tanu Singla- Independent Director	—	—	1,40,000	—	1,40,000	—
Dr Dharam Vir- Independent Director	—	—	1,10,000	—	1,10,000	—
Shri Mudit Tandon- Independent Director	—	—	1,10,000	—	1,10,000	—
Shri Manoj Kumar Goyal- Independent Director	—	—	1,35,000	—	1,35,000	—

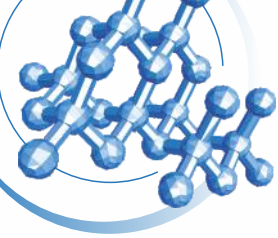
~ Shri Manish Dhanuka was re-designated as the Managing Director with effect from June 29, 2020 and Shri Mridul Dhanuka was re-designated as the Whole Time Director with effect from June 29, 2020. The remuneration for the Managing Director and Whole Time Director is with effect from June 29, 2020.

(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.

Pursuant to the implementation of the approved Resolution plan, the Stakeholder Relationship Committee (SRC) was reconstituted by the Board at their meeting held on March 31, 2020. Further, the committee was reconstituted by the Board in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time at their meeting held on June 29, 2020 and further reconstituted on September 07, 2020.

Dr. Dharam Vir, Independent Director has been appointed as the Chairman of the SRC with effect from June 29, 2020. Ms. Nikita K is the Company Secretary and Compliance Officer of the Company.



The composition of the Stakeholder Relationship Committee (SRC) is as follows:

COMPOSITION OF THE STAKEHOLDER RELATIONSHIP COMMITTEE

Name of Committee Members	Category	Committee position	Date of Appointment
Dr DharamVir	Independent Director	Chairman	29-06-2020
Smt Tanu Singla	Independent Director	Member	29-06-2020
Shri Manoj Kumar Goyal	Independent Director	Member	07-09-2020

Dr Dharam Vir , Smt. Tanu Singla and Shri. Manoj Kumar Goyal were appointed as Additional Directors of the Company on June 29, 2020 and regularized as Directors (Independent) by the Members of the Company at 27th Annual General Meeting held on December 30, 2020.

Shri Manish Dhanuka, Managing Director (appointed as Member of the Stakeholders' Relationship Committee on March 31, 2020) ceased to be a Member of Stakeholder Relationship Committee with effect from June 29, 2020. Shri Arun Kumar Dhanuka, Non-Executive Director (appointed as Member of the Stakeholders' Relationship Committee on March 31, 2020) ceased to be a Member of the Stakeholder Relationship Committee with effect from September 07, 2020.

Meetings and attendance of Stakeholder Relationship Committee during the Financial Year 2020-2021

One (1) meeting of the Stakeholder Relationship Committee was held during the Financial Year 2020-21 on November 11, 2020. The necessary quorum was present during the Meeting.

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

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 Meeting 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.

Detail of complaints received and resolved during the year:

During the year, the company received 113 Complaints and all the complaints were resolved to the satisfaction of the investors and there are no pending complaints as on March 31, 2021.

(IV) Banking, Finance and Operations Committee

Pursuant to the implementation of the approved Resolution plan, the Banking, Finance and Operations Committee of the Board of Directors was constituted on March 31, 2020 and the composition is as follows:

COMPOSITION OF BANKING, FINANCE AND OPERATIONS COMMITTEE

Name of Committee Members	Category	Committee Position	Date Of Appointment
Shri Manish Dhanuka	Managing Director	Chairman	31-03-2020
Shri Arun kumar Dhanuka	Non-Executive Director	Member	31-03-2020
Shri Mridul Dhanuka	Whole Time Director	Member	31-03-2020

The Committee is entrusted with powers to monitor and review and take care of the various routine banking, financial (including borrowings monies) and operational matters of the Company, to employ/invest the surplus funds available in the Company in any of the Mutual funds managed by Trusts upto an amount not exceeding Rs.125 Crores (Rupees One Hundred and Twenty Five Crores Only) to facilitate the short term gains for the benefit of the Company, to review, consider, approve and grant authorisations wherever required for all such matters where the approvals of the Board is not specifically mandated under any applicable laws, provided that such matters be placed at the Board meeting held immediately after passing of such resolutions by the Banking, Finance and Operations Committee.

Nine (9) meetings of Banking, Finance and Operations Committee were held during the Financial year 2020-2021 on April 01, 2020; May 07, 2020; June 12, 2020; October 16, 2020; October 27, 2020; November 12, 2020; November 20, 2020; January 21, 2021 and March 12, 2021.

Name & Designation	Committee position	Number of meetings held	Number of Meetings attended
Shri Manish Dhanuka, Managing Director	Chairman	9	9
Shri Arun Kumar Dhanuka, Non-Executive Director	Member	9	9
Shri Mridul Dhanuka, Whole Time Director	Member	9	9

(V) Risk Management Committee

The Securities and Exchange Board of India vide a gazette Notification dated 06th May, 2021 notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021. The amendments become effective from May 06, 2021. The amendments inter-alia mandates the constitution of Risk Management Committee for the top 1000 listed entities determined on the basis of market capitalization, as at the end of the immediate previous financial year. Ensuring adherence with the above amendment, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. The Composition of Risk Management Committee is as follows:

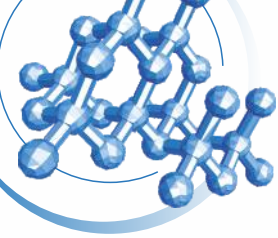
COMPOSITION OF RISK MANAGEMENT COMMITTEE

Name of Committee Members	Category	Committee position	Date of Appointment
Dr DharamVir	Independent Director	Chairman	22-05-2021
Shri Manish Dhanuka	Managing Director	Member	22-05-2021
Shri Mridul Dhanuka	Whole Time Director	Member	22-05-2021
Shri Sunil Kumar Gupta	Chief Financial Officer	Member	22-05-2021
Dr R J Sarangdhar	Unit Head-API & FDF (Senior General Manager)	Member	22-05-2021

The Board has constituted a Risk Management Committee for monitoring the risk management process in the Company. 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.

TERMS OF REFERENCE

- Formulating a detailed Risk Management Policy
- 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
- 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
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems
- To periodically review the risk management policy, atleast once in two years including by considering the changing industry dynamics and evolving complexity
- To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken



- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to their view by the Risk Management Committee
- To assess the Company's risk profile and key areas of risk in particular.
- 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
- To recommend the Board and adoption of risk assessment and rating procedures.
- To articulate the Company's policy for the oversight and management of business risks.
- To examine and determine the sufficiency of the Company's internal processes for reporting on and managing key risk areas.
- To develop and implement a risk management framework and internal control system.
- Such other functions as the Board of Directors may deem fit

MEETINGS AND ATTENDANCE DURING THE YEAR

The Constitution of Risk Management Committee was not applicable during the reporting year and hence the captioned header is not applicable.

(V) BUSINESS RESTRUCTURING COMMITTEE

The Business Restructuring Committee of the Board of Directors was constituted by the Board of Directors at their meeting held on May 22, 2021 and the composition is as follows:

COMPOSITION OF BUSINESS RESTRUCTURING COMMITTEE

Name of Committee Members	Category	Committee Position	Date of Appointment
Shri Manish Dhanuka	Managing Director	Chairman	22-05-2021
Shri Mridul Dhanuka	Executive Director (Whole Time Director)	Member	22-05-2021
Shri Sunil Kumar Gupta	Chief Financial	Member	22-05-2021

Shri Manish Dhanuka, Managing Director is the Chairman of the Business Restructuring Committee. The role of the Committee inter-alia includes evaluation and implementation of proposals of business restructuring.

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 http://www.orchidpharma.com/downloads/NOMINATION_AND_REMUNERATION_POLICY.pdf

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

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

(8) General Body meetings

Details of Annual General Meetings held in the past three (3) years

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;

Year	AGM	Location	Special resolutions passed	Date	Time
2020	AGM	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

Date of Meeting	AGM	Location	Special resolutions passed	Date	Time
2019	AGM	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 AM
2018	AGM	Sri Thyaga Brahma Gana Sabha (Vani Mahal), No.103, G N Chetty Road, Parthasarathi Puram, T Nagar, Chennai -600 017, Tamil Nadu.	-NIL-	December 12, 2018	11.00 AM

No Extra-ordinary General Meeting of the members of the Company was held during the Financial year 2020-2021.

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

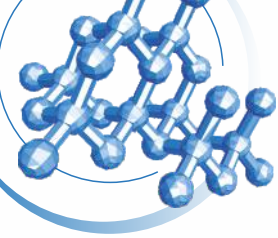
The Company has not conducted any postal ballot during the year ended March 31, 2021, pursuant to Section 110 of the Companies Act, 2013. The Company presently does not envisage any business to be conducted through postal ballot as of the date of the report.

13. Means of Communication

- Financial Results are published by the Company in Trinity Mirror/Financial Express and Makkal Kural.
- 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 internet portal to communicate with its employees.
- Key developments are communicated to the Stock Exchanges and media as and when they occur.
- No Presentations were made to the Institutional Investors or to the Analysts during the Financial Year 2020-2021.

14. General Shareholder Information

General Shareholder Information		
1	Registered Office	CIN:L24222TN1992PLC022994 'ORCHID TOWERS', No. 313, Valluvar Kottam High Road, Nungambakkam, Chennai - 600034, Tamil Nadu, India.
2	Date, Time and Venue of 28 th Annual General Meeting (AGM)	Friday, August 13, 2021 at 12:15 Noon through Video Conference ("VC")/Other Audio Visual Means ("OAVM"). The Registered office of the Company i.e. "Orchid Towers", No.313, Valluvar Kottam high road, Nungambakkam, Chennai-600034 shall be deemed to be the venue of the meeting.
3	Book Closure Date	Friday, August 06, 2021 to Friday, August 13, 2021 (both days inclusive)
4	Financial Calendar	1 st April to 31 st March
	Financial reporting for -	Tentative date
	Quarter ending June 30, 2021	On or before August 14, 2021
	Quarter ending September 30, 2021	On or before November 14, 2021
	Quarter ending December 31, 2021	On or before February 14, 2022
	Quarter ending March 31, 2022	On or before May 30, 2022
5	Dividend Payment Date	No Dividend was declared during the year 2020-21 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 2020-21.



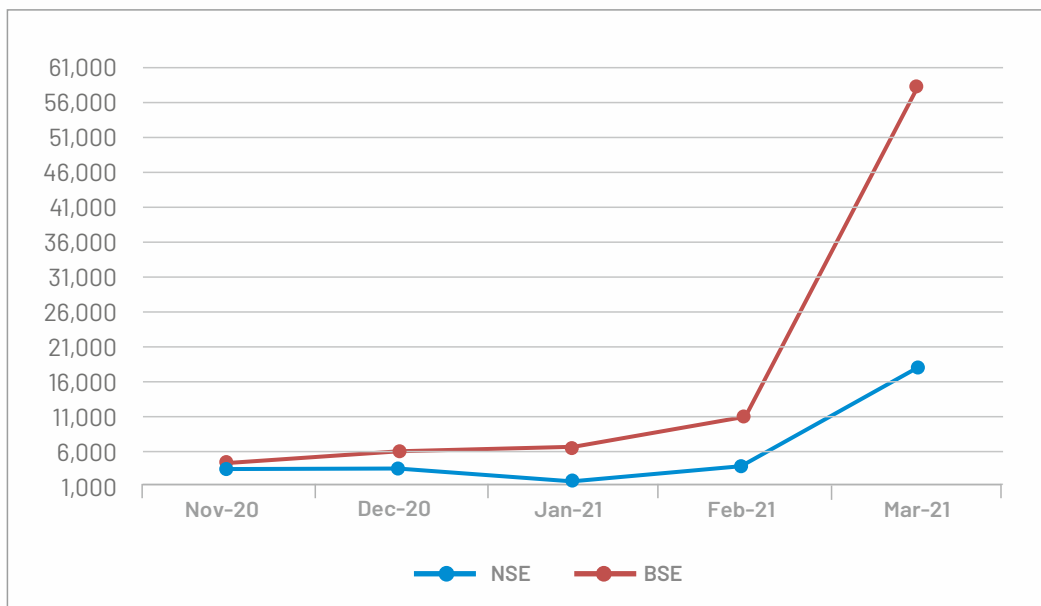
Stock Market data

a) Monthly high and low quotations along with the volume of shares traded at NSE and BSE for 2020-2021 are:

Month	NSE			NSE 500 Index	BSE			BSE 500 Index
	High (Rs.)	Low(Rs.)	Volume of shares (No.s)		High (Rs.)	Low(Rs.)	Volume of shares (No.s)	
Apr-20	Not Traded ^^			10,324.29	Not Traded ^^			
May-20								
Jun-20								
Jul-20								
Aug-20								
Sep-20								
Oct-20								
Nov-20	42.50	17.15	3,018	10,324.29	43.19	18.00	3,906	16,385.91
Dec-20	123.25	44.60	3,038	11,190.89	126.13	45.34	5,716	17,768.79
Jan-21	326.10	129.40	1,298	11,815.59	333.90	132.40	6,109	18,782.98
Feb-21	864.50	342.40	3,442	12,373.78	885.15	350.55	10,842	19,676.77
Mar-21	2,407.55	905.40	18,018	12,427.16	2,465.15	927.10	58,334	19,780.91
Total			28,814				84,907	

^^ Post reduction and consolidation of share capital as per approved Resolution plan, the equity shares were admitted to dealings on the exchange with effect from November 02, 2020.

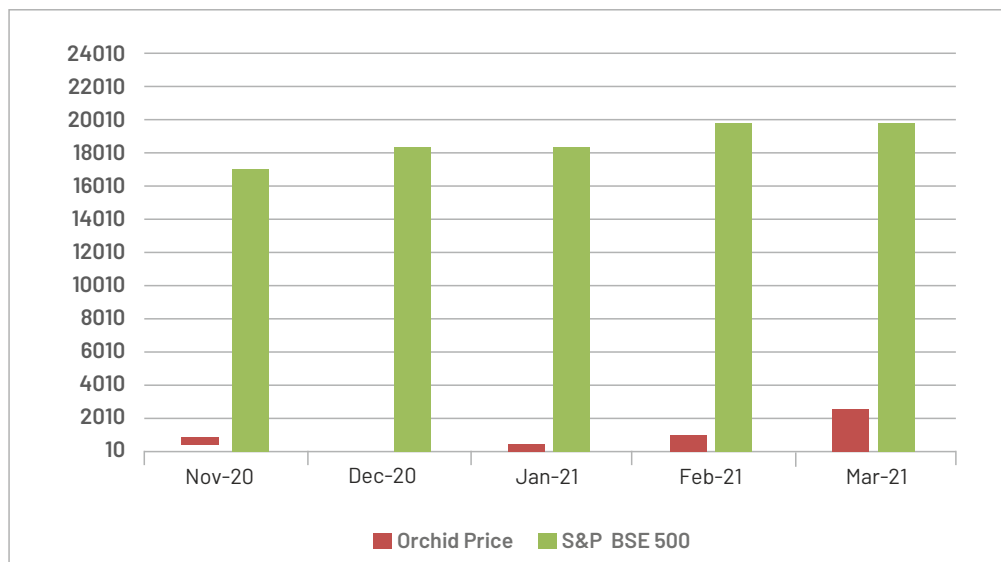
b) Graphical representation of the volume of shares traded of Orchid during the financial year 2020-2021 - from November 02, 2020



c) Comparison of share price of Orchid Vs Nifty 50 - from November 02, 2020

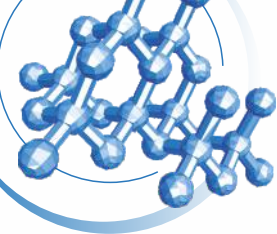


d) Comparison of share price of Orchid Vs broad based indices of BSE - from November 02, 2020



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



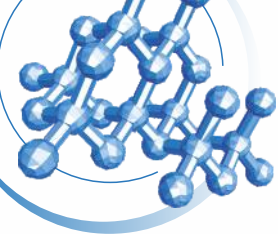
EQUITY HISTORY OF THE COMPANY SINCE INCORPORATION OF THE COMPANY UP TO MARCH 31, 2021

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 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 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 :

No of equity Shares held	March 31,2021			March 31,2020		
	No. of shares	No. of Shareholders	% of Shareholders	No. of shares	No. of Shareholders	% of Shareholders
1-500	1,49,797	29,649	97.71	98,45,119	68,381	80.52
501-1000	28,393	386	1.27	65,52,073	7,902	9.30
1001-5000	48,220	244	0.80	1,58,87,183	7,041	8.30
5001-10000	18,687	25	0.08	66,45,911	899	1.06
10001 & above	4,05,71,303	39	0.14	5,00,34,041	696	0.82
TOTAL	4,08,16,400	30,343	100.00	8,89,64,327	84,919	100.00



Suspension of trading of shares

The Equity shares of the company are traded in National Stock Exchanges of India Ltd and BSE Ltd. The Equity Shares were not traded after July 24, 2019 as a result of the Company announcing the record date (July 27, 2019) for implementing the capital reduction programme fixed as per the resolution plan submitted by M/s. Dhanuka Laboratories Limited which was approved by the Hon'ble NCLT, Chennai on June 25/27, 2019 and subsequently upheld by the Hon'ble Supreme Court of India vide Order dated February 28, 2020 (received by the Company On March 02, 2020). Post reduction and consolidation of share capital as per approved Resolution plan, the equity shares were admitted to dealings on the exchange with effect from November 02, 2020.

Reconciliation of Share Capital Audit

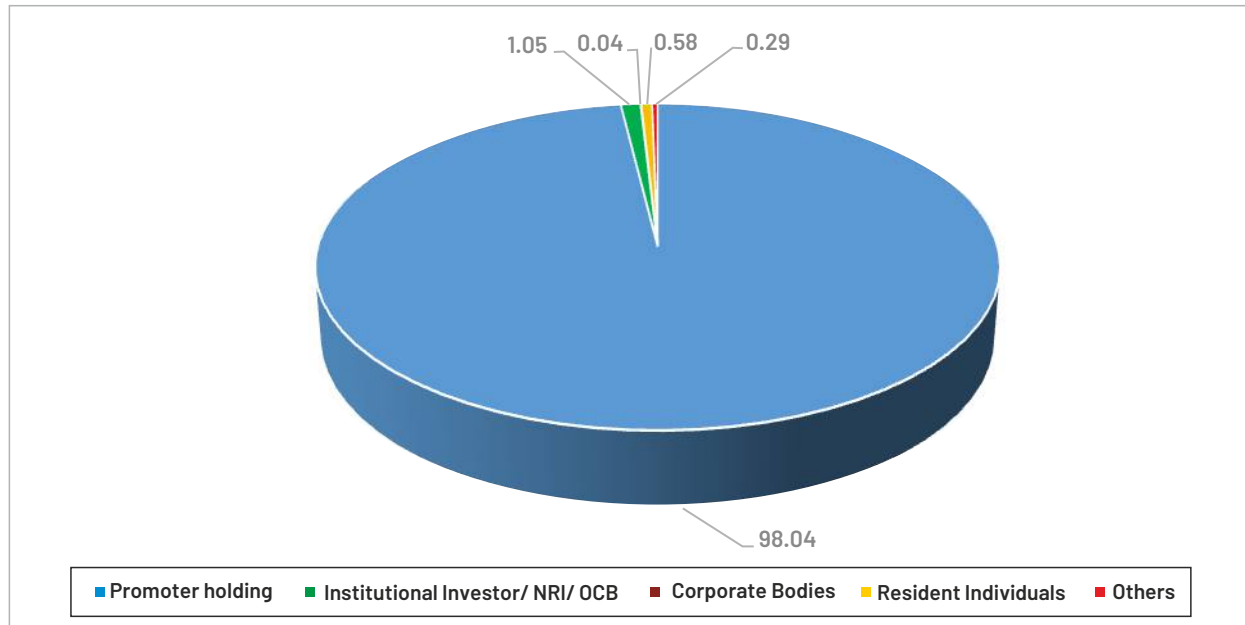
A Qualified practising Company Secretary Carries out reconciliation of share capital audit every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit 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, 2021

	Category	No. of Shares Held	% of Shareholding
A	PROMOTER HOLDING		
1	Promoters/ Promoter Group [*]		
	(a) Indian	4,00,15,963	98.04
	(b) Foreign	-	-
	Sub-Total(1)	4,00,15,963	98.04
B	NON-PROMOTER HOLDING		
2	Institutional Investors		
	(a) Mutual Funds	1	0.00
	(b) Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-government Institutions) and Limited Liability Partnerships	4,07,963	1.00
	(c) Foreign Portfolio Investors	3,134	0.01
	(d) Foreign Banks	13,393	0.03
	Sub-Total(2)	4,24,491	1.04
3	OTHER INVESTORS		
	(a) Corporate Bodies	16,217	0.04
	(b) Indian Public (Resident Individuals)	2,36,925	0.58
	(c) Non Resident Indians / Overseas Corporate Bodies	6,589	0.01
	(d) Foreign Companies	68	0.00
	(e) Fractional Trusts	9,834	0.02
	(f) IEPF	131	0.00
	(g) Trusts	5	0.00
	(h) Overseas depository/GDR	14,803	0.04
	(i) Clearing Members	2,317	0.01
	Clearing house	7	0.00
	Others	89,050	0.22
	Sub Total(3)	3,75,946	0.92
	GRAND TOTAL (1+2+3)	4,08,16,400	100.00

^{*} M/s. Dhanuka Laboratories Limited are the Promoters of the Company with effect from March 31, 2020. However, the Company had submitted the application for reclassification of erstwhile Promoters as Public and the approval for the same was accorded on June 15, 2021.

SHAREHOLDING AS ON MARCH 31, 2021



Global Depository receipts (GDRs) / Convertible instruments

The number of GDRs outstanding as on March 31, 2021 are 14,803 out of the total number of 4,08,16,400 Equity Shares of the Company. Each GDR is represented by an underlying equity share.

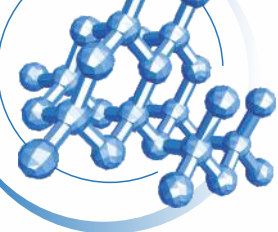
As per the approved Resolution plan, your Company has issued 14,300 Zero Coupon, Optionally Convertible Non-marketable Debentures of Rs.1,00,000/- aggregating to Rs.143 Crores to M/s. Dhanuka Laboratories Limited. The tenor of the OCDs shall be Ten (10) years or such further period as may be mutually 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 31 March, 2021, 4,08,12,736 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 3,664 Equity Shares were held in physical mode as on March 31, 2021.

Share Transfer System

As required under Regulation 7(1) of Listing Regulations, your company has appointed M/s Integrated Registry Management Services Private Limited, 2nd Floor, Kences Towers, No 1, Ramakrishna Street, North Usman Road, T Nagar, Chennai – 600 017, Tamil Nadu, India as the Registrar and Share Transfer Agents for facilitating demat segments. One (1) Stakeholders Relationship Committee meeting was held during the year 2020-21. Securities lodged for transfer with the Registrar are processed within 15 days from the date of lodgement.



Further, during the Financial Year 2021-2022, the Board of Directors at their meeting held on May 22, 2021 had approved the Change in Registrar and Share Transfer Agent of the Company and appointed M/s Abhipra Capital Limited, New Delhi as the Registrar and Share Transfer Agent in place of M/s Integrated Registry Management Services Private Limited. However, M/s Integrated Registry Management Services Private Limited will continue to provide the Registrar and Share Transfer Agent services till a Tripartite Agreement is entered into between the Company, M/s Integrated Registry Management Services Private Limited and M/s Abhipra Capital Limited.

Unclaimed Dividends & transfer of shares

The Company has not declared any dividend after the financial year 2011-12 and hence transfer of unclaimed dividend amount to IEPF does not arise during the financial year 2020-21. During the year under review, the Company could not transfer the 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). However, during the Financial year 2021-2022, the Company 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 <http://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

As per Regulation 34(3) of the Listing Regulations read along with Schedule V of the said regulations, the Company reports the following details in respect of equity shares lying in the suspense account which were issued pursuant to the Public Issue/Bonus Issue/Rights Issue of the Company and unclaimed as on March 31, 2021:

S.No	Particulars	No. of shareholders	No. of equity shares
1	Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2020	33	1968
2	Number of shareholders who approached the Company for transfer of shares from suspense account during the year	NIL	NIL
3	Number of shareholders to whom shares were transferred from the suspense account during the year	NIL	NIL
4	Less: Transfer to IEPF authority	NIL	NIL
5	Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2021 [§]	-	-

As per Regulation 39 of the Listing Regulations read along with Schedule VI of the said regulation, three reminders were issued for shares issued in physical form, which remain unclaimed. The Company has transferred these shares into one folio in the name of "Unclaimed Suspense Account" and dematerialised the same with one of the Depository participant.

[§] Consequent to the Reduction and Consolidation as per approved Resolution plan for the Company, there are no outstanding shares lying in the suspense account as on March 31, 2021.

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 2020-2021, CARE (CARE Ratings Ltd) had assigned a credit rating of CARE BB+, Stable for the long term bank facilities and credit rating of CARE A4+ for the short term bank facilities availed by the Company.

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 Dist, Pin 603 110, Tamil Nadu, India.

b) Formulations (Finished Dosage Form) Facilities

- i) A10/A11, SIDCO Industrial Estate Alathur, Kancheepuram Dist, Pin 603 110, Tamil Nadu, India
- ii) B-77, SIDCO Industrial Estate, Alathur, Kancheepuram Dist, Pin 603 110, Tamil Nadu, India
- iii) Plot Nos. B5 (Part) and B6 (Part), SIPCOT Industrial Park, Irungattukottai, Sriperumbudur (TK), Pin 602 105, Tamil Nadu, India.

Investor Contacts

a) Investor Correspondence/ Compliance Officer/ Nodal Officer

Ms. Nikita.K

Company Secretary

Orchid Pharma Limited

"Orchid Towers", 313 Valluvar Kottam High Road,
Nungambakkam, Chennai – 600 034.

Phone: (044) - 2824 4910 / 2824 4355; Fax: (044) - 2821 1002

E-mail: nikitak@orchidpharma.com

Website: www.orchidpharma.com

b) Registrar and Share Transfer Agent

Integrated Registry Management Services Private Limited

2nd Floor, Kences Towers, No 1, Ramakrishna Street, North Usman Road, T Nagar, Chennai – 600 017, Tamil Nadu, India.

Tel : 91 -44-28140801 – 03, Fax : 91 -44-28142479

E-Mail : corpserv@integratedindia.in

Website : www.integratedindia.in

Other Disclosures

• Materially Significant Related Party Transaction

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 an arm's length price basis and in the ordinary course of business. Details of Related Parties and Related Party Transactions as required are furnished under Note No.51 of the notes to the accounts attached with the standalone financial statements of the Company for the year ended March 31, 2021. 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 <http://www.orchidpharma.com/downloads/Policy%20on%20materiality%20and%20dealing%20with%20Related%20Party%20Transactions.pdf>

• Details of Non-Compliance by the company

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 Limited and Rs.75,520/- by BSE Limited in this regard was imposed during the financial year 2020-2021. The above fines have been remitted by the Company to the Stock exchanges.

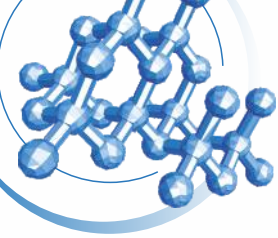
• Vigil Mechanism and Whistle blower policy

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 adopted a Whistle Blower Policy. No person has been denied access to the Audit Committee.

The Company's Policies on dealing with Related Party Transactions and determining 'Material' Subsidiaries are available on the Company's website viz:

<http://www.orchidpharma.com/downloads/Policy%20on%20materiality%20and%20dealing%20with%20Related%20Party%20Transactions.pdf>

<http://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.

- **Details of Compliance with Mandatory Requirements of Corporate Governance for the financial year 2020-2021**

The Company has complied with the mandatory requirements of Corporate Governance for the financial year 2020-2021.

- **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 2020-2021 is disclosed in Note No. 37(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, 2021. 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.

- **Details of Compliance with respect to disclosure on Website in terms of Listing Regulations, 2015**

ITEM	COMPLIANCE STATUS (Yes/No/NA)
Details of business	Yes
Terms and conditions of appointment of independent directors	Yes
Composition of various committees of board of directors	Yes
Code of conduct of Board of directors and Senior management personnel	Yes
Details of establishment of vigil mechanism/Whistle-Blower policy	Yes
Criteria of making payments to Non-Executive Directors	Yes
Policy on dealing with related party transactions	Yes
Policy for determining 'material' subsidiaries	Yes
Details of familiarisation programmes imparted to independent directors	Yes
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes
E-mail address for grievance redressal and other relevant details	Yes
Financial results	Yes
Shareholding pattern	Yes
Details of agreements entered into with the media companies and/or their associates	NA
New name and the old name of the listed entity	Yes

The Independent Directors were inducted on the Board with effect from June 29, 2020 and the Committees were reconstituted in accordance with Listing Regulations with effect from June 29, 2020.

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 results of the company are published in one English and one Tamil newspaper having wide circulation in Tamil Nadu, normally Trinity Mirror/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 may be referred to in Independent Auditors' Report on the Standalone Financial Statements and Consolidated Financial Statements for the financial Year 2020-2021.

• **Reporting of Internal Auditor**

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

• **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 requirement 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) 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 the 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) Schedule V (E) of the SEBI Listing Regulations, the certificate from Practising Company Secretary regarding compliances of conditions of Corporate Governance is annexed to this report.

• **CEO/CFO Certification**

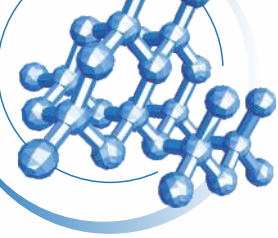
The Board has received a compliance certificate from the Managing Director of the Company and the Chief Financial Officer of the Company pursuant to Regulation 17 (8) read with Schedule II Part B of SEBI Listing Regulations.

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

Place: Gurgaon
Date : July 15, 2021

Manish Dhanuka
Managing Director
DIN: 00238798

Mridul Dhanuka
Whole Time Director
DIN: 00199441



15. CEO/CFO Certification

CEO / CFO CERTIFICATION

To

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

We the undersigned, certify that:

- (a) We have reviewed the financial statements and the Cash flow statement of Orchid Pharma Limited for the year ended March 31, 2021 and 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 in internal control over financial reporting during the year;
 - ii) Significant changes 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: Gurgaon
Date : May 22, 2021

Manish Dhanuka
Managing Director
(DIN: 00238798)

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, 2021, as envisaged in Regulation 34(3) read with Schedule V of the Listing Regulations.

Place: Gurgaon
Date: May 22, 2021

Manish Dhanuka
Managing Director
(DIN: 00238798)

CERTIFICATE ON CORPORATE GOVERNANCE

TO

THE MEMBERS OF
ORCHID PHARMA LIMITED
CIN: L24222TN1992PLC022994

We have examined the compliance of conditions of Corporate Governance by M/s. Orchid Pharma Limited ("the Company") for the year ended 31st March, 2021 as per relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred in its Regulation 15 (2) for the period 1st April, 2020 to 31st March, 2021.

M/s Orchid Pharma Limited ("the Company") was under the Corporate Insolvency Resolution Process (CIRP) with effect from 17.08.2017, the powers of the Board stood suspended and the management of the Company vested with the Resolution Professional Mr. Sripatham Venkatasubramanian Ramkumar pursuant to his appointment in the COC Meeting held on 03.10.2017 which was confirmed by Honourable National Company Law Tribunal, Chennai Bench vide order dated 27.10.2017. During the period ended 31st March 2020, the Resolution Plan submitted by M/s Dhanuka Laboratories Limited (DLL) was approved by the Hon'ble National Company Law Tribunal, Division Bench- II, Chennai (NCLT) vide its order dated June 27, 2019 which was later on upheld by the Hon'ble Supreme Court of India vide its Order dated February 28, 2020 (received on March 2, 2020). The Board of Directors has been reconstituted with nominees of Dhanuka Laboratories Limited and powers of the Board have been reinstated in the company with effect from 31.03.2020.

Subsequent to the said resolution plan, the changes relating to reconstitution of Board of Directors with appointment of 4 (four) Independent Directors, Managing Director, Whole-time Director and a Chief Financial Officer with effect from 29th June 2020 were implemented by the company during the period under review.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations thereof adopted by the Company for ensuring the 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.

Subject to the points mentioned herein in our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance stipulated in regulations 17 to 27 of Chapter IV and clauses (b) to (i) of Regulation 46(2) and Para C & D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations") for the period from April 1, 2020 to March 31, 2021.

We further state that such compliance 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.

For S Dhanapal & Associates
A Firm of Practising Company Secretaries

N. Ramanathan
Partner

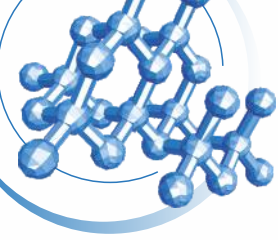
Membership No. FCS 6665

CP No. 11084

UDIN: F006665C000629023

Place: Chennai

Date: 14-07- 2021



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

**The Members of
Orchid Pharma Limited**

Orchid Towers, 313, Valluvar Kottam High Road, Nungambakkam,
Chennai - 600 034.

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 - 600 034 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Ram Gopal Agarwal	00627386	31/03/2020
2.	Manish Dhanuka	00238798	31/03/2020
3.	Mridul Dhanuka	00199441	31/03/2020
4.	Arun Kumar Dhanuka	00627425	31/03/2020
5.	Manoj Kumar Goyal	06361663	29/06/2020
6.	Mudit Tandon	06417169	29/06/2020
7.	Dharam Vir	08771224	29/06/2020
8.	Tanu Singla	08774132	29/06/2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P MUTHUKUMARAN AND ASSOCIATES

MUTHUKUMARAN

M. No.: F-11218 | CP: 20333

UDIN: F011218C000581150

Place: Chennai

Date : July 06, 2021

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 2020-2021.

The Ratio of remuneration of Shri Manish Dhanuka, Managing Director and Shri Mridul Dhanuka, Whole Time Director to the median remuneration of the employees of the company for the financial year 2020-21 is 17.56 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 KMP/ Designation	% Increase in remuneration in 2021 as compared to 2020
Shri Sunil Kumar Gupta, Chief Financial Officer	There was no increase in the remuneration of the Chief Financial Officer [@] and Company Secretary during the Financial Year 2020-2021.
Ms. Nikita K, Company Secretary	

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

c) Percentage increase in median remuneration of employees in the Financial Year

There was no increase in median remuneration of employees during the Financial Year 2020-2021.

d) Number of permanent employees on the rolls of Company (as of 31st March, 2021): 1136

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

Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year was: **NIL**

The percentage increase in the remuneration of Key Managerial Personnel during the FY 2020-21 was: **NIL**

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

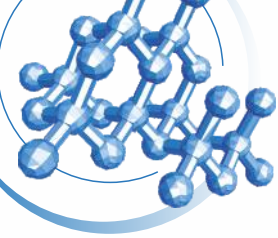
It is hereby affirmed that the remuneration paid is as per the Remuneration policy of the Company.

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

Place: Gurgaon
Date : July 15, 2021

Manish Dhanuka
Managing Director
DIN: 00238798

Mridul Dhanuka
Whole Time Director
DIN: 00199441



ANNEXURE VI TO THE BOARD'S REPORT

FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
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 and subject to the verification of signed financial statements and internal audit reports for the year ended 31.03.2021, we hereby report that in our opinion and understandings, the Company has, during the audit period covering the financial year ended on March 31, 2021, 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 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, 2021 according to the applicable provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act, 1956 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;
- 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, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as substituted by 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 as the Company has not issued any shares/options to directors/employees under the said guidelines / regulations during the year under review
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable
 - 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; Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the year under review
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable as the Company has not delisted / propose to delist its equity shares from any Stock Exchange during the year under review and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; 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 The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company was under the Corporate Insolvency Resolution Process w.e.f 17.08.2017 vide order of the NCLT, Chennai Bench. Subsequent to the commencement of the Corporate Insolvency Resolution Process, the powers of the Board of Directors stood suspended and the management of affairs of the company vested with the resolution professional Mr. Sripatham Venkatasubramanian Ramkumar pursuant to his appointment in the COC Meeting held on 03.10.2017 which was confirmed by Honourable National Company Law Tribunal, Chennai Bench vide order dated 27.10.2017. During the period ended 31st March 2020, the Resolution Plan submitted by M/s Dhanuka Laboratories Limited (DLL) was approved by the Hon'ble National Company Law Tribunal, Division Bench- II, Chennai (NCLT) vide its order dated June 27, 2019 which was later on upheld by the Hon'ble Supreme Court of India vide its Order dated February 28, 2020 (received on March 2, 2020). The Board of Directors has been reconstituted with nominees of Dhanuka Laboratories Limited and powers of the Board have been reinstated in the company with effect from 31.03.2020.

Pursuant to the said resolution plan, the following secretarial matters among other things as mentioned in resolution plan and approved by the Monitoring Committee at their meetings held on March 30, 2020 and March 31, 2020 respectively, were implemented by the company during the period under review:

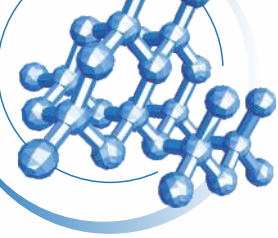
- a. Reduction and consolidation of share capital from Rs. 88,96,43,270/- (Rupees Eighty Eight Crores Ninety Six Lakhs Forty Three Thousand Two Hundred and Seventy Only) consisting of 8,89,64,327 (Eight Crore Eighty Nine Lakhs Sixty Four Thousand Three Hundred and Twenty Seven) equity shares of Rs. 10/- each to Rs. 40,81,640/- (Rupees Forty Lakhs Eighty One Thousand Six Hundred and Forty Only) consisting of 4,08,164 (Four Lakhs Eight Thousand One Hundred and Six Four) equity shares of Rs. 10/- each, thereby cancelling and extinguishing 8,85,56,163 equity Shares of Rs. 10/- each.
- b. Conversion and settlement of part of the debt owed to eligible secured Financial Creditor by issuing 4,08,164 equity shares of Rs. 10/- each
- c. Issue of 14,300 Optionally Convertible Debentures (OCDs) [Quasi Equity] of value of Rs. 1,00,000 each aggregating to Rs. 143 cores (Rupees one hundred and forty three crores) to the Resolution Applicant
- d. The Scheme of Amalgamation of Dhanuka Pharmaceuticals Private Limited (DPPL) with and into Orchid Pharma Limited (OPL) and issue of 10,000 equity shares of OPL of Rs. 10 each at par, as fully paid, to the shareholders of DPPL thereon.
- e. Issue of 3,99,90,072 equity shares of Rs. 10 each to Dhanuka Laboratories Limited (DLL), the Resolution Applicant
- f. Further as per the Resolution plan
 - Re-classification of Promoters was done and the approval for the same was accorded by the Stock exchanges on June 15, 2021
 - Fresh allotment of 0% non-convertible, non-marketable, cumulative redeemable debentures of value Rs. 3650 Crores (NCDs) to Dhanuka Pharmaceuticals Private Limited (DPPL) a Special purpose vehicle (SPV) controlled by the Resolution Applicant M/s. Dhanuka Laboratories Limited (DLL) for subsuming equivalent outstanding debt of the Company by the SPV for consideration other than cash.

During the period under review, the Company has generally complied with the applicable provisions of the Act, SEBI Act, FEMA, and their Rules, Regulations, Guidelines, Standards, mentioned above except that there has been delay in filing returns with Registrar of Companies and few deviations in Labour Laws.

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, 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 the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Subsequent to the said resolution plan, the changes relating to reconstitution of Board of Directors with appointment of 4 (four) Independent Directors, Managing Director, Whole-time Director and a Chief Financial Officer with effect from 29th June 2020 were implemented by the company 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, a fine of Rs. 75,520/- by National Stock Exchange of India Ltd and Rs. 75,520/- by BSE Ltd. was imposed on the Company for non appointment of Qualified Company Secretary as the Compliance Officer within the stipulated timelines as prescribed under the Companies Act, 2013 for the quarter ended March, 2020 and the company has paid the same.

We further report that, during the period, the Company has sought approval from its members for:

1. Ratification of remuneration to Cost Auditor for the financial year 2020-21
2. Appointment of Dr. Dharam Vir (DIN: 08771224) as an Independent Director
3. Appointment of Smt. Tanu Singla (DIN: 08774132) as an Independent Director
4. Appointment of Shri Manoj Kumar Goyal (DIN: 06361663) as an Independent Director
5. Appointment of Shri. Mudit Tandon (DIN: 06417169) as an Independent Director
6. Appointment of Shri Arun Kumar Dhanuka (DIN: 00627425) as Non-Executive Director
7. Appointment of Shri Ram Gopal Agarwal (DIN: 00627386) as Non-Executive Director
8. Appointment of Shri Manish Dhanuka (DIN: 00238798) as Managing Director
9. Appointment of Shri Mridul Dhanuka (DIN: 00199441) as Whole time Director
10. Approval for material related party transactions
11. Sell, lease or otherwise dispose of whole or substantially the whole of the undertaking(s) of the Company
12. Fund raising through issue of equity shares on a preferential allotment / private placement basis

We further report that, there has been delay in filing of the Foreign Liabilities and Assets return for the financial year 2019-20 with the RBI, which the management has replied as occurred on account of pending corporate action approvals from the Stock exchanges with regard to reduction, consolidation of issued share capital, issue of equity shares pursuant to the resolution plan submitted by M/s Dhanuka Laboratories Limited which was approved by the Hon'ble National Company Law Tribunal, Division Bench- II, Chennai vide its order dated June 27, 2019 which was later on upheld by the Hon'ble Supreme Court of India vide its Order dated February 28, 2020. The company has also sent a letter in this regard to Reserve Bank of India dated August 4, 2020 requesting for extension of time.

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.

Place: Chennai
Date: 14-07-2021

For S Dhanapal & Associates

N. Ramanathan
(Partner)
FCS 6665
CP No. 11084
UDIN: F006665C000632807

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.

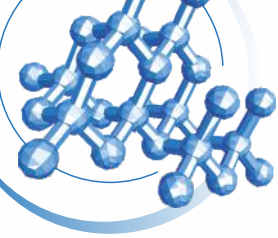
- a. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about 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: F006665C000632807

Place: Chennai

Date: 14-07-2021



SECRETARIAL COMPLIANCE REPORT OF ORCHID PHARMA LIMITED FOR THE YEAR ENDED 31.03.2021

We **S Dhanapal & Associates, Practicing Company Secretaries**, Chennai have examined:

- (a) all the documents and records made available to us and explanation provided by ORCHID PHARMA LIMITED having CIN L24222TN1992PLC022994 ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31.03.2021 ("Review Period") in respect of compliance with the provisions of :
- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as substituted by the Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 as substituted by the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 - Not Applicable;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 -Not Applicable;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not applicable;
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 - Not Applicable;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued thereunder;

and based on the above examination, We hereby report that, **M/s Orchid Pharma Limited ("the Company") was under the Corporate Insolvency Resolution Process (CIRP) with effect from 17.08.2017, the powers of the Board stood suspended and the management of the Company vested with the Resolution Professional Mr. Sripatham Venkatasubramanian Ramkumar pursuant to his appointment in the COC Meeting held on 03.10.2017 which was confirmed by Honourable National Company Law Tribunal, Chennai Bench vide order dated 27.10.2017. During the period ended 31st March 2020, the Resolution Plan submitted by M/s Dhanuka Laboratories Limited (DLL) was approved by the Hon'ble National Company Law Tribunal, Division Bench- II, Chennai (NCLT) vide its order dated June 27, 2019 which was later on upheld by the Hon'ble Supreme Court of India vide its Order dated February 28, 2020 (received on March 2, 2020). The Board of Directors has been reconstituted with nominees of Dhanuka Laboratories Limited and powers of the Board have been reinstated in the company with effect from 31.03.2020.**

Pursuant to the said resolution plan, the following secretarial matters among other things as mentioned in resolution plan and approved by the Monitoring Committee at their meetings held on March 30, 2020 and March 31, 2021 respectively, were implemented by the company during the period under review:

1. Reduction and consolidation of share capital from Rs. 88,96,43,270/- (Rupees Eighty Eight Crores Ninety Six Lakhs Forty Three Thousand Two Hundred and Seventy Only) consisting of 8,89,64,327 (Eight Crore Eighty Nine Lakhs Sixty Four Thousand Three Hundred and Twenty Seven) equity shares of Rs. 10/- each to Rs. 40,81,640/- (Rupees Forty Lakhs Eighty One Thousand Six Hundred and Forty Only) consisting of 4,08,164 (Four Lakhs Eight Thousand One Hundred and Six Four) equity shares of Rs. 10/- each, thereby cancelling and extinguishing 8,85,56,163 equity Shares of Rs. 10/- each.
2. Conversion and settlement of part of the debt owed to eligible secured Financial Creditor by issuing 4,08,164 equity shares of Rs. 10/- each.
3. Issue of 14,300 Optionally Convertible Debentures (OCDs) [Quasi Equity] of value of Rs. 1,00,000 each aggregating to Rs. 143 cores (Rupees one hundred and forty three crores) to the Resolution Applicant
4. The Scheme of Amalgamation of Dhanuka Pharmaceuticals Private Limited (DPPL) with and into Orchid Pharma Limited (OPL) and issue of 10,000 equity shares of OPL of Rs. 10 each at par, as fully paid, to the shareholders of DPPL thereon.
5. Further as per the Resolution plan
 - Re-classification of Promoters was done and the approval for the same was accorded by the Stock exchanges on June 15, 2021.

- Fresh allotment of 0% non-convertible, non-marketable, cumulative redeemable debentures of value Rs. 3650 Crores (NCDs) to Dhanuka Pharmaceuticals Private Limited (DPPL) a Special purpose vehicle (SPV) controlled by the Resolution Applicant M/s. Dhanuka Laboratories Limited (DLL) for subsuming equivalent outstanding debt of the Company by the SPV for consideration other than cash.
- Receipts of funds from M/s Dhanuka Laboratories Ltd (towards equity capital and issue of 3,99,90,072 equity shares of Rs. 10 each to Dhanuka Laboratories Limited (DLL), the Resolution Applicant.

In this regard, we report that during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
-	-	-	-
-	-	-	-

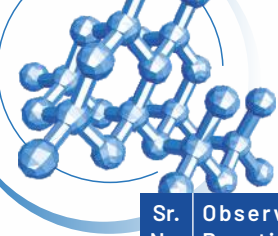
- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.

- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1	BSE	Regulation 6(1) of LODR: Non appointment of qualified Company Secretary as the Compliance Officer within the stipulated timelines as prescribed under the Companies Act, 2013 for the Quarter ended March, 2020	Fine of Rs. 75,520/- imposed	The Fine was paid through UTR vide Reference Number 000246647111 dated 24-Mar-2021
2	NSE	Regulation 6(1) of LODR: Non appointment of qualified Company Secretary as the Compliance Officer within the stipulated timelines as prescribed under the Companies Act, 2013 for the Quarter ended March, 2020	Fine of Rs. 75,520/- imposed	The Fine was paid through UTR vide Reference Number UBINJ20297670777 dated 23-Oct-2020

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports (31-03-2019)	Observations made in the secretarial compliance report for the year ended 31.03.2020	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	Reg. 25 of SEBI (LODR) (Obligations with respect to Independent Directors) –All the Directors on the Board resigned and the nomination made by Bank was withdrawn. There is only one director on the Board.	Regulation 25 of LODR – Obligations with respect to Independent Directors The company does not have any independent director on its board. Since the powers and management vested with the resolution professional, the Appointment and reconstitution of the Board can be done only when the powers are back to the board after completion of CIRP	Pursuant to the approved Resolution Plan, at the Monitoring Committee Meeting held on March 31, 2020 the Board was formed with 4 (Four) Non Executive Directors as Additional Directors.	Subsequent to the approval of resolution plan, the Board has been reconstituted with directors on March 31, 2020 and subsequently Independent Directors have also been appointed on the Board on 29 th June 2020 during the financial year 2020-21.



Sr. No.	Observations of the Practicing Company Secretary in the previous reports (31-03-2019)	Observations made in the secretarial compliance report for the year ended 31.03.2020	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
2	Reg. 33(3) of LODR – Delay in submission of Financial Results for the Quarter ended 30.06.2018 and 30.09.2018 Beyond the stipulated time of 45 days from the end of the Quarter	-	The fine as imposed by NSE and BSE Ltd. for the said delay was paid by the Company	The fine as imposed by NSE and BSE Ltd. for the said delay was paid by the Company. The Financial results for all quarters during the year ended 31.3.2021 has been submitted within the stipulated time from the end of the quarter.
3	Reg. 33(3) of LODR – Delay in submission of Financial Results for the financial year ended 31.03.2018 Beyond the stipulated time of 60 days from the end of the financial year	-	The fine as imposed by NSE and BSE Ltd. for the said delay was paid by the Company	The fine as imposed by NSE and BSE Ltd. for the said delay was paid by the Company. The Financial results for all quarters during the year ended 31.3.2021 Has been submitted within the stipulated time from the end of the quarter.
4	-	Regulation 24A of LODR – Delayed submission of the Annual Secretarial Compliance Report for the Financial year ended 31-03-2019 on June 3, 2019 whereas the due date for its submission was May 31, 2019	Though there was a delay of three days, the report has been filed	For the FY ended 31.03.2019, though there was a delay the report has been filed For the FY ended 31.03.2020, the report was filed within the stipulated time limit
5	-	Regulation 33(3) of LODR – Submission of Financial Results for every quarter within 45 days from the end of the Quarter The company filed the unaudited financial results for the quarter ended 31.12.2019 with delay on 17-02-2020	Though there was a delay, the results have been submitted.	Though there was a delay, the results have been submitted. The Financial results for all quarters during the year ended 31.3.2021 has been submitted within the stipulated time limit from the end of the quarter.
6	-	Regulation 33(3) of LODR – Submission of Financial Results for the financial year ended 31.03.2019 within 60 days from the end of the financial year The company filed the audited financial results for the financial year ended 31-03-2019 with delay on 03-06-2019	Though there was a delay the results have been filed and the late fees as imposed by NSE and BSE Ltd. was also paid	Though there was a delay the results have been filed and the late fees as imposed by NSE and BSE Ltd. was also paid. The Financial results for all quarters during the year ended 31.3.2021 has been submitted within the stipulated time limit from the end of the quarter.
7	-	Regulation 6(1) of LODR – Vacancy of the Company Secretary is not filled within a reasonable period of time The Company Secretary retired from the services of the Company with effect from 30.06.2019. Wherein another Company Secretary was appointed only on 05.03.2020	A Company Secretary is appointed w.e.f 05-03-2020	A Qualified Company Secretary is appointed as the Compliance Officer during the period under review and she continues to be compliance officer during the entire period under review.

We further report that we have conducted entire secretarial audit only through online verification and examination of records, as requested 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.

Signature:

Name of the Practicing Company Secretary:
N. Ramanathan
Partner, S Dhanapal & Associates
A firm of Practising Company Secretaries
 ACS/ FCS No.: F6665
 C P No.: 11084
 UDIN: F006665C000519650

Place: Chennai
 Date: 26.06.2021

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

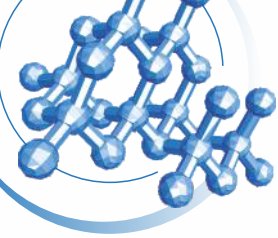
Part 'A': Subsidiaries

S. No.	Name of the Subsidiary	Orchid Europe Limited, United Kingdom		Orchid Pharmaceuticals Inc., and Subsidiaries, USA		Bexel Pharmaceuticals Inc., USA		Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa		Diakron Pharmaceuticals Inc., USA	
		Apr'20 - Mar'21	Apr'20 - Mar'21	Apr'20 - Mar'21	Apr'20 - Mar'21	Apr'20 - Mar'21	Apr'20 - Mar'21	Apr'20 - Mar'21	Apr'20 - Mar'21	Apr'20 - Mar'21	Apr'20 - Mar'21
		£	Rs in Lakhs	\$	Rs in Lakhs	\$	Rs in Lakhs	RAND	Rs in Lakhs	\$	Rs in Lakhs
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period										
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	GBP 101.67		USD 73.90		USD 73.90		ZAR 4.91		USD 73.90	
3	Share capital	10,000.00	1,016,700.00	100.00	7,390.00	35,895.27	2,652,660.45	303,638.00	1,490,862.58	-	-
4	Reserves & surplus	44,234.69	4,497,340.93	(4,668,893.00)	(345,031,192.70)	(213,050.52)	(15,744,433.43)	(303,638.00)	(1,490,862.58)	(3,822,115.55)	(282,454,339.15)
5	Total assets	563,916.46	57,333,386.86	2,212,968.00	163,538,335.20	5.00	369.50	-	-	3,228.45	238,582.45
6	Total Liabilities	563,916.46	57,333,386.86	2,212,968.00	163,538,335.20	5.00	369.50	-	-	3,228.45	238,582.45
7	Investments	-	-	-	-	-	-	-	-	-	-
8	Turnover	-	-	1,148,435.00	84,869,346.50	-	-	-	-	-	-
9	Profit before taxation	7,361.31	748,424.39	(522,274.00)	(38,596,048.60)	-	-	-	-	(273,125.00)	(20,183,937.50)
10	Provision for taxation	-	-	-	-	-	-	-	-	-	-
11	Profit after taxation	7,361.31	748,424.39	(522,274.00)	(38,596,048.60)	-	-	-	-	(273,125.00)	(20,183,937.50)
12	Proposed Dividend	-	-	-	-	-	-	-	-	-	-
13	% 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 £= 101.67, 1 South African Rand= 4.91 and 1US \$= Rs. 73.90 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	
1. Latest audited Balance Sheet Date	Not Applicable- The Company did not have any investments in Associates or Joint Ventures as at March 31, 2021
2. Shares of Associate/Joint Ventures held by the company on the year end	
No. of shares	
Amount of Investment in Associates/Joint Venture (Rs. In Lakhs)	
Extend of Holding %	
3. Description of how there is significant influence	
4. Reason why the associate/joint venture is not consolidated	
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	
6. Profit / Loss for the year	
i. Considered in Consolidation	
ii. Not Considered in Consolidation	

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: Gurgaon
Date: May 22, 2021

Mridul Dhanuka
Whole Time Director
DIN: 00199441
Place: Gurgaon
Date: May 22, 2021

Sunil Gupta
Chief Financial Officer
Place: Gurgaon
Date: May 22, 2021

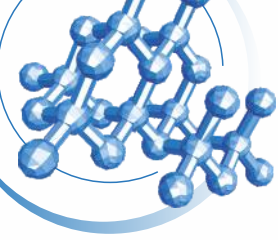
Nikita K
Company Secretary
Place: Chennai
Date: May 22, 2021

**ANNEXURE VIII 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, 2021 –
STANDALONE BASIS [PURSUANT TO REGULATION 33 & 52 OF THE SEBI (LODR) (AMENDMENT) REGULATIONS, 2016]

STANDALONE BASIS

I	SL 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)	45,717.02	45,717.02
	2.	Total Expenditure (Including finance cost and exceptional items)	57,365.88	57,365.88
	3.	Net Profit/(Loss)	(11,648.86)	(11,648.86)
	4.	Earnings per Share(In Rs.)	(28.70)	(28.70)
	5.	Total Assets	1,22,446.86	1,22,446.86
	6.	Total Liabilities	54,313.18	54,313.18
	7.	Net worth	68,133.68	68,133.68
	8.	Any Other Financial item(s) (as felt appropriate by the management)	-	-
II	Audit Qualification (Each audit qualification separately)			
I	a)	Details of Audit Qualification:	Due to the extension of complete/ partial lockdown across India to contain the spread of the COVID'19 virus, the company could not complete the physical verification of fixed assets and its related reconciliation with the books of account. Accordingly, we are unable to comment on the possible impact, if any, arising out of the above matters. This is was qualified in our earlier year audit report also.	
	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 management confirms that due to lockdown restrictions in most part of the year the physical verification could not be conducted. Once the lock down is lifted and normalcy resumed this will be undertaken in a phased manner	
	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

Manish Dhanuka
Managing Director

Sunil Gupta
Chief Financial Officer

Manoj Goyal
Audit Committee Chairman

Place: Gurgaon
Date : May 22, 2021

Statutory Auditor

Refer our Independent Auditors' report dated May 22, 2021 on Standalone Financial Results of the Company

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

Chinnsamy Ganesan
Partner
Membership No.027501

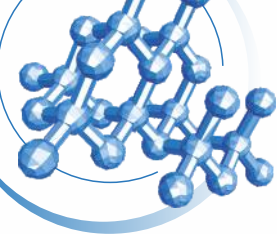
Place : Chennai
Date : May 22, 2021

**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, 2021 –
CONSOLIDATED BASIS [PURSUANT TO REGULATION 33 & 52 OF THE SEBI (LODR) (AMENDMENT) REGULATIONS, 2016]

CONSOLIDATED BASIS

I	SLNo	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)	46,528.61	46,528.61
	2.	Total Expenditure (Including finance cost and exceptional items)	58,115.14	58,115.14
	3.	Net Profit / (Loss)	(11586.53)	(11586.53)
	4.	Earnings per Share (In Rs.)	(28.55)	(28.55)
	5.	Total Assets	123725.21	123725.21
	6.	Total Liabilities	58434.43	58434.43
	7.	Net worth	65290.78	65290.78
	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:	Due to the extension of complete/ partial lockdown across India to contain the spread of the Covid'19 virus, the company could not complete the physical verification of fixed assets and its related reconciliation with the books of account. Accordingly, we are unable to comment on the possible impact, if any, arising out of the above matters. This is was qualified in our earlier year audit report also;	
	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 management confirms that due to lock down restrictions in most part of the year the physical verification could not be conducted. Once the lock down is lifted and normalcy resumed this will be undertaken in a phased manner	
	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.	



II Audit Qualification (Each audit qualification separately)

2	a)	Details of Audit Qualification:	<p>The Consolidated Financial Statements for the year ended March 31, 2021 include the financial statements for the year ended March 31, 2021, of the following subsidiary companies:</p> <p>(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</p> <p>We did not audit the financial statements of the above subsidiaries that reflect total assets of Rs. 2,211.11 lakhs and net assets of (-) Rs. 6,402.23 lakhs as at March 31, 2021, total revenue of Rs. 848.69 lakhs, total comprehensive loss (comprising of loss and other comprehensive income) of (-) Rs.580.31 lakhs and net cash flows amounting to Rs.77.70 lakhs for the year ended on that date, as considered in the consolidated financial statements.</p> <p>The financial statements of the subsidiaries 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, 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 the balance in foreign currency translation reserve as at March 31, 2021 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.</p>
	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, however the management has appointed auditor now for audit for the year 2020.
	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

Manish Dhanuka
Managing Director

Sunil Gupta
Chief Financial Officer

Manoj Goyal
Audit Committee Chairman

Place: Gurgaon
Date : May 22, 2021

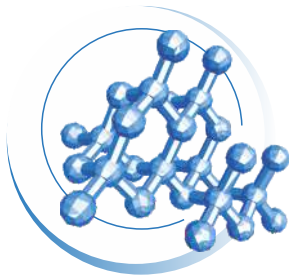
Statutory Auditor

Refer our Independent Auditors' report dated May 22, 2021 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 22, 2021



INDEPENDENT AUDITORS' REPORT

To the Members of
Orchid Pharma Limited

Report on the audit of the Standalone financial statements

Qualified Opinion

We have audited the standalone financial statements of Orchid Pharma Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, 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 Qualified 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, 2021, and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended as on that date.

Basis for Qualified Opinion

Attention is invited to Note 54 to the Standalone financial statements which describes that due to the extension of complete/ partial lockdown across India to contain the spread of the Covid-19 virus, the company could not complete the physical verification of fixed assets and its related reconciliation with the books of account. Accordingly, we are unable to comment on the possible impact, if any, arising out of the above matters. This was qualified in our earlier year audit report 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 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.

Accounting for Business Combination as per Ind AS 103 and the related revision in the provisional accounting done in the previous year

As morefully explained in Note 51 to the standalone financial statements, M/s Dhanuka Laboratories Limited, the successful resolution applicant has infused the required investments as per the approved Resolution Plan ("the Said Plan") and the Company has accounted for the transactions relating to the above as directed by the Hon'ble NCLT on March 31, 2020. The adjustments to the carrying amount have been made on a provision basis due to Covid'19 related restrictions in getting complete valuation for various assets and liabilities, including impairment on the carrying value of property, plant and equipment, capital work in progress, intangibles and intangibles under development.

The Company has obtained a detailed valuation report on lifting of the general lockdown through external experts and detailed internal assessment regarding the fair value of various assets taken over and liabilities assumed as part of the business combination. The consequential adjustments have been made in March 2021 (i.e., within 1 year from the date of acquisition) as provided in Para 45 to Para 49 of Ind AS 103 for provisional accounting for business combinations.

Principal Audit Procedures

- We assessed the Company's process to identify, assess and respond to risks of material misstatement considering the complexity of the terms and conditions of the Said Plan and the impact of the revision to the provisional accounting of the business combination on the Company's operations and standalone financial statements for the year under consideration.

- 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 ANDA/ DMF and intangibles under development, including related disclosure requirements under the Act and respective Indian Accounting Standards.
- We have considered the impact on the processes and controls that may be affected by necessary changes to business processes in light of circumstances such as travel restrictions, result of remote working arrangements etc.
- We have reviewed the terms and conditions stipulated by the Hon'ble NCLT in the Said Plan.
- We have reviewed the valuation report of the independent external expert who has carried out the impairment assessment of property, plant and equipment and the assumptions considered in the valuation
- We have obtained the internal assessment regarding the final fair value of various assets taken over and liabilities assumed as part of the business combination as on the date of acquisition, which were provisionally accounted for business combination as per Ind AS 103 in the previous year and the basis of such conclusions.
- We have designed, performed new procedures and modified previously planned audit procedures as a result of the necessity for carrying out the audit procedures remotely, including verification of the source and completeness of data provided for audit. This includes performing alternative audit procedures to obtain audit comfort in respect of significant account balances for recognition, measurement and disclosures.
- 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 considered the basis of management judgment in determining impact on the standalone financial statements of subsequent events related to the implementation of the Said Plan (in light of the COVID-19 related restrictions) taking into consideration the date of the standalone financial statements, the facts and circumstances pertaining to the entity, and the conditions that existed at, or arose after, that date. As the impacts of the COVID-19

outbreak continue to evolve, including regulatory restrictions/ conditions, capturing events that relate specifically to conditions that existed at the date of the standalone financial statements, or after the date of the standalone financial statements, we have considered all subsequent events and transactions to substantiate our conclusions on the appropriateness of management's estimate in making the adjustments as per the Said Plan.

- We have considered management's adjustments or disclosures which includes the impact of the changes in the Accounting for Business Combination as per Ind AS 103 and the related revision in the provisional accounting done in the previous year on the recognition and measurement of account balances and transactions in the standalone financial statements or other specific disclosures as per the Said Plan.

Emphasis of Matters

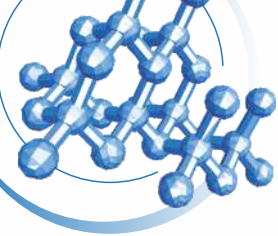
Without qualifying our opinion, we draw attention to the following matters

- (a) 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 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 Rs.1,025.67 Lakhs for the year ended March 31, 2021 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) "Estimation of uncertainties relating to the global health pandemic from COVID-19" section of Note 2 to the standalone financial statements which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management.



Other Matters

Further to the continuous spreading of COVID-19 across India, the Central and State Governments announced partial/ complete lock down during April and May 2021 to contain the spread of the virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the major portion of the audit was carried out based on remote access of the data as provided the management. This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the Company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

Our opinion is not modified in respect of the above matters.

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)(l) 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.

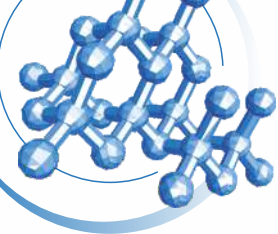
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may

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, 2016 ("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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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.

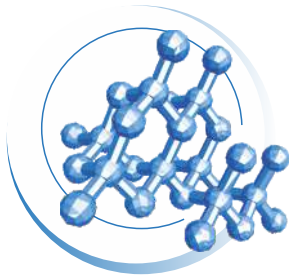
For CNGSN & ASSOCIATES LLP

Chartered Accountants
Firm's Registration No. 004915S/S200036

(CHINNSAMY GANESAN)

Partner
Membership No. 027501
UDIN: 21027501AAAACN5744

Place: Chennai
Date: May 22, 2021



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. In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification to cover all the items of fixed assets 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 said program, we were informed by the management that a portion of the fixed assets have been physically verified during the year but due to the Covid-19 related restrictions, the same could not be comprehensively reconciled with the books. Accordingly, we were unable to comment on whether any material discrepancies were noticed on such verification and whether they are properly dealt with in the standalone financial statements.

(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.

2. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

3. According to information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is 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.

In respect of investments made by the Company, the Company had complied with the provisions of section 186 of the Companies Act, 2013.

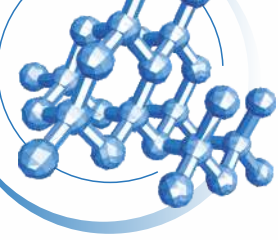
5. In our opinion and according to the information and explanations given to us, the company has not accepted any public deposits during the year and accordingly, paragraph 3 (v) of the order is not applicable.

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) The Company has been generally regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and services tax, customs duty, excise duty, cess and other material statutory dues applicable to it with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(b) 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-CIRP 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, 2021 on account of dispute.



8. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to its bankers and debenture holders during the year. According to the information and explanations given to us, the company has no outstanding dues to any financial institutions or any government during the year.

9. In our opinion and according to the information and explanations given to us, the Company has not taken any term loans from banks and financial institutions during the year. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

10. 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 its officers or employees has been noticed or reported during the year.

11. In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. The Company is not a Nidhi Company and accordingly, Paragraph 3(xii) of the order is not applicable to the Company.

13. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

14. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private

placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.

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

16. According to the information and explanations given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For CNGSN & ASSOCIATES LLP

Chartered Accountants

Firm Registration No.004915S/S200036

(CHINNSAMY GANESAN)

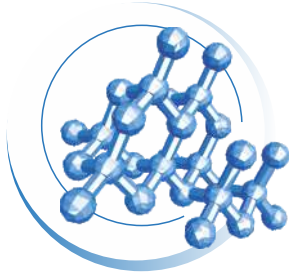
Partner

Membership No.027501

UDIN: 21027501AAAACN5744

Place: Chennai

Date: April 22, 2021



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)

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 Company”) as at March 31, 2021, 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 were 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

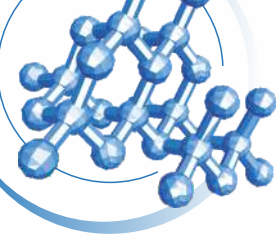
A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. 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, 2021, 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.

Other matters

We bring to the attention of the users that the audit of the internal financial control system over financial reporting and the operating effectiveness of such internal financial controls over financial reporting has been performed remotely in the conditions more fully explained in the Other Matters Paragraph of our Independent Audit Report on the audit of the Standalone financial statements.

Our opinion on the internal financial control system over financial reporting is not modified in respect of the above.

For CNGSN & ASSOCIATES LLP

Chartered Accountants

Firm Registration No.004915S/S200036

(CHINNSAMY GANESAN)

Partner

Membership No. 027501

UDIN: 21027501AAAACN5744

Place: Chennai

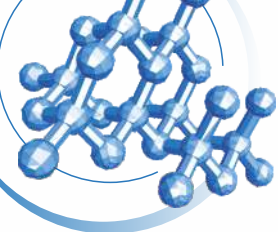
Date: May 22, 2021

Standalone Balance Sheet as at March 31, 2021

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

₹ in Lakhs

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4	67,001.85	84,362.63
Intangible assets	4	36.86	1,423.24
Capital work in progress	5	743.06	1,507.18
Intangible Assets under Development	6	-	1,054.07
Financial assets			
Investments	7	40.44	33.82
Other financial assets	8	399.72	140.76
Other non current assets	9	-	-
Total non-current assets		68,221.93	88,521.70
Current assets			
Inventories	10	15,056.57	14,078.10
Financial assets			
Investments	11	1,502.08	-
Trade receivables	12	13,196.12	6,638.11
Cash and cash equivalents	13	1,475.04	8,817.10
Bank balances other than above	14	421.78	8,414.88
Loans	15	-	-
Other financial assets	16	7.07	11.75
Current tax assets (net)	17	5,445.99	5,938.27
Non current assets held for sale and disposal groups	18	12,085.19	-
Other current assets	19	5,035.09	12,579.24
Total current assets		54,224.93	56,477.45
Total Assets		122,446.86	144,999.15
EQUITY AND LIABILITIES			
Equity			
Equity share capital	20	4,081.64	4,081.64
Other equity	21	64,052.04	75,700.90
Total equity		68,133.68	79,782.54



Standalone Balance Sheet as at March 31, 2021

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

₹ in Lakhs

	Notes	As at March 31, 2020	As at March 31, 2019
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	22	42,749.74	50,397.07
Provisions	23	1,153.89	1,178.54
Deferred Tax Liability (Net)	24	322.62	322.62
Total non-current liabilities		44,226.25	51,898.23
Current liabilities			
Financial liabilities			
Borrowings	25	284.26	-
Trade payables	26	6,873.99	6,021.19
Short term provisions	27	352.44	324.91
Other current liabilities	28	2,576.24	6,972.28
Total current liabilities		10,086.93	13,318.38
Total Liabilities		54,313.18	65,216.61
Total Equity and Liabilities		122,446.86	144,999.15

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
UDIN: 21027501AAAACN5744
Place: Chennai
Date: May 22, 2021

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

Manish Dhanuka
Managing Director
DIN: 00238798
Place: Gurgaon
Date: May 22, 2021

Mridul Dhanuka
Whole Time Director
DIN: 00199441
Place: Gurgaon
Date: May 22, 2021

Sunil Gupta
Chief Financial Officer
Place : Gurgaon
Date: May 22, 2021

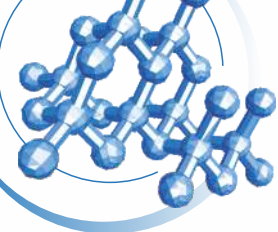
Nikita K
Company Secretary
Place: Chennai
Date: May 22, 2021

Statement of Profit and Loss for the year ended March 31, 2021

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

₹ in Lakhs

		Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Continuing Operations				
A	Income			
	Revenue from operations	29	45,069.50	48,120.90
	Other income	30	647.52	2,427.72
	Total income		45,717.02	50,548.62
B	Expenses			
	Cost of materials consumed	31	24,496.08	21,991.46
	Purchases of Stock in Trade	32	-	46.97
	Changes in inventories of finished goods and WIP	33	(1,568.79)	(2,007.26)
	Employee Benefits Expense	34	6,439.88	7,159.97
	Depreciation and amortisation expense	35	10,889.86	11,790.74
	Finance costs	36	5,133.56	415.85
	Other expenses	37	9,913.65	19,996.64
	Total expenses		55,304.24	59,394.37
C	Loss before exceptional items and tax		(9,587.22)	(8,845.75)
	Exceptional items - Income / (Expenses)		-	-
D	Loss before tax from continuing operations		(9,587.22)	(8,845.75)
	Income tax expense			
	Current tax		-	-
	Deferred tax charge/ (credit)		-	-
	Loss after tax from continuing operations		(9,587.22)	(8,845.75)
Discontinuing Operations				
E	Loss for the year from discontinued operations		(2,128.11)	(6,137.83)
	Tax expense of discontinued operations		-	-
	Loss from discontinued operations after tax		(2,128.11)	(6,137.83)
F	Loss for the year		(11,715.33)	(14,983.58)



Statement of Profit and Loss for the year ended March 31, 2021

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

₹ in Lakhs

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
G			
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Remeasurement of post employment benefit obligations		59.85	(188.84)
Gain/ (Loss) on fair valuation of investments		6.62	(13.39)
Income tax (charge)/ credit relating to these items		-	-
Other comprehensive income/ (loss) for the year, net of tax		66.47	(202.23)
Total comprehensive Loss for the year		(11,648.86)	(15,185.81)
Earnings per share	39		
Basic earnings per share		(28.70)	(16.87)
Diluted earnings per share		(28.70)	(16.87)

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
UDIN: 21027501AAAACN5744
Place: Chennai
Date: May 22, 2021

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Managing Director
DIN: 00238798
Place: Gurgaon
Date: May 22, 2021

Mridul Dhanuka

Whole Time Director
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Date: May 22, 2021

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Chief Financial Officer
Place : Gurgaon
Date: May 22, 2021

Nikita K

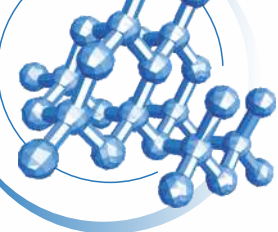
Company Secretary
Place: Chennai
Date: May 22, 2021

Statement of Cash Flows for the year ended March 31, 2021

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

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash Flow From Operating Activities		
Profit/ loss before income tax	(11,715.33)	(14,983.57)
Adjustments for		
Depreciation and amortisation expense of continuing operations	10,889.86	11,790.74
Depreciation and amortisation expense of discontinuing operations	756.54	799.33
(Profit)/ loss on sale of fixed assets	6.50	(8.82)
Interest income	(73.26)	(2,417.51)
Forex (Gain)/ Loss Unrealised	(282.84)	3,782.17
Allowance for expected credit loss	132.80	3,096.54
Finance costs	5,133.56	415.85
Fair valuation (Gain)/ Loss on investments	(90.10)	-
(Profit) / loss on sale of investments	(104.08)	-
	4,653.65	2,474.73
Change in operating assets and liabilities		
(Increase)/ decrease in Other financial assets	(326.82)	829.13
(Increase)/ decrease in inventories	(3,209.26)	1,231.58
(Increase)/ decrease in trade receivables	(7,475.32)	3,813.57
(Increase)/ decrease in Other assets	6,744.41	(697.03)
Increase/ (decrease) in provisions and other liabilities	(305.49)	(512.87)
Increase/ (decrease) in trade payables	1,862.85	(139.21)
Cash generated from operations	1,944.02	6,999.90
Less : Income taxes paid/ (refund received)	492.28	1,042.13
Net cash from operating activities (A)	2,436.30	8,042.03
Cash Flows From Investing Activities		
Purchase of PPE (including changes in CWIP)	(60.40)	(423.47)
Sale proceeds of PPE	28.64	-
(Purchase)/ disposal proceeds of Investments	(1,307.90)	-
(Investments in)/ Maturity of fixed deposits with banks	7,993.10	14,717.94
Interest received	67.07	2,417.51
Net cash used in investing activities (B)	6,720.51	16,711.98



Statement of Cash Flows for the year ended March 31, 2021

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

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash Flows From Financing Activities		
Proceeds from issue of equity share capital (net of share application money)	-	4,000.00
Proceed from Borrowings	-	75,409.40
Repayment of Borrowings (net)	(12,508.00)	(104,410.32)
Finance costs	(3,990.87)	(32.53)
Net cash from/ (used in) financing activities (C)	(16,498.87)	(25,033.45)
Net increase/decrease in cash and cash equivalents (A+B+C)	(7,342.06)	(279.44)
Cash and cash equivalents at the beginning of the financial year	8,817.10	9,096.54
Cash and cash equivalents at end of the year	1,475.04	8,817.10
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	300.68	8,815.54
- in fixed deposit with original maturity of less than 3 months	1,170.00	-
Cash on hand	4.36	1.56
	1,475.04	8,817.10

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
UDIN: 21027501AAAACN5744
Place: Chennai
Date: May 22, 2021

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

Manish Dhanuka

Managing Director
DIN: 00238798
Place: Gurgaon
Date: May 22, 2021

Mridul Dhanuka

Whole Time Director
DIN: 00199441
Place: Gurgaon
Date: May 22, 2021

Sunil Gupta

Chief Financial Officer
Place : Gurgaon
Date: May 22, 2021

Nikita K

Company Secretary
Place: Chennai
Date: May 22, 2021

Statement of Changes in Equity for the year ended March 31, 2021

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

(A) Equity Share Capital

Balance at the end of April 1, 2019	8,896.43
Changes in equity share capital during the year	(4,814.79)
Balance at the end of March 31, 2020	4,081.64
Changes in equity share capital during the year	-
Balance at the end of March 31, 2021	4,081.64

(B) Other Equity

₹ in Lakhs

Particulars	Capital Reserve	Capital Reserve on Amalgamation	Securities Premium Reserve	Equity component of Optionally convertible debentures	General Reserve	Foreign Currency Monetary Item Translation Difference Account	Other Comprehensive Income	Profit and Loss Account	Total
Balance as at April 1, 2019	894.68	9,004.21	46,447.86	-	55,851.90	(1,238.14)	1.17	(195,357.17)	(84,395.49)
Total Comprehensive Income for the year	-	-	-	-	-	-	(202.23)	(14,983.58)	(15,185.81)
Reduction of Share Capital	-	-	-	-	-	-	-	8,855.62	8,855.62
Additions/ (deductions) during the year	4,211.01	154,121.37	-	6,856.06	-	1,238.14	188.84	(188.84)	166,426.58
Balance as at March 31, 2020	5,105.69	163,125.58	46,447.86	6,856.06	55,851.90	-	(12.22)	(201,673.97)	75,700.90
Total Comprehensive Income for the year	-	-	-	-	-	-	66.47	(11,715.33)	(11,648.86)
Reduction of Share Capital	-	-	-	-	-	-	-	-	-
Additions/ (deductions) during the year	-	-	-	-	-	-	(59.85)	59.85	-
Balance as at March 31, 2021	5,105.69	163,125.58	46,447.86	6,856.06	55,851.90	-	(5.60)	(213,329.45)	64,052.04

The accompanying notes form an integral part of the financial statements

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

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

Chinnsamy Ganesan

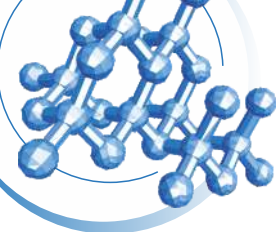
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Date: May 22, 2021

Nikita K
Company Secretary
Place: Chennai
Date: May 22, 2021



Notes to Financial Statements for the year ended March 31, 2021

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.

The Hon'ble National Company Law Tribunal (NCLT) has, by its order dated June 27, 2019 approved the resolution plan submitted by the successful resolution applicant M/s Dhanuka Laboratories Limited (DLL) and the order of the NCLT was upheld by Hon'ble Supreme Court vide its order dated February 28, 2020.

Accordingly, the Resolution Plan submitted by Dhanuka Laboratories Limited, the successful Resolution Applicant, was implemented during March 2020 and the Board was reconstituted by the Monitoring Committee of Orchid Pharma Limited (OPL) with the nominations from the Resolution Applicant on the effective date i.e. on March 31, 2020 as described in the Resolution Plan. Thus the Company became a subsidiary of M/s Dhanuka Laboratories Limited with effect from 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 DLL.

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.

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

Notes to Financial Statements for the year ended March 31, 2021

Directors on May 22, 2021.

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 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

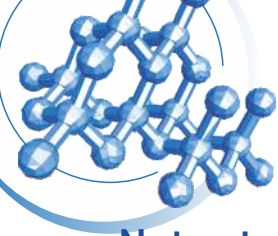
The cost of the defined benefit plan and other long term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that 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



Notes to Financial Statements for the year ended March 31, 2021

each reporting period.

2B Recent accounting pronouncements

Amendments to Schedule III to the Companies Act, 2013

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period
- Specified format for disclosure of shareholding of promoters
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of Profit and Loss

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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

Notes to Financial Statements for the year ended March 31, 2021

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 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 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

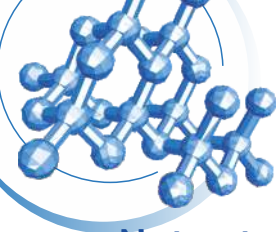
In respect of the exports made by the Company, the related export entitlements from Government authorities are recognised in the statement of profit and loss when the right to receive the incentives/ entitlements as per the terms of the scheme is established and where there is no significant uncertainty 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



Notes to Financial Statements for the year ended March 31, 2021

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

Notes to Financial Statements for the year ended March 31, 2021

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.

(i) Raw materials/ Chemicals/ Packing materials/ Stores & spares: At cost or net realisable value.

(ii) Work-in-progress and intermediates: At cost or net realisable value whichever is lower, after adjustment of unrealised profits on inter division transfer. Variable and fixed overhead incurred for bringing the inventory to present location and conditions are allocated

(iii) Finished goods/ Traded goods: At cost or net realisable value whichever is lower, after adjustment of unrealised profits on inter division transfer. Variable and fixed overhead incurred for bringing the inventory to present location and conditions are allocated

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 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:

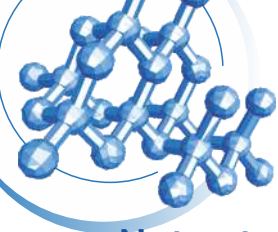
- ▶ Debt instruments at amortised cost
- ▶ Debt instruments at fair value through other comprehensive income (FVTOCI)
- ▶ Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- ▶ Equity instruments measured at fair value through other comprehensive income (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



Notes to Financial Statements for the year ended March 31, 2021

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 any 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:

Notes to Financial Statements for the year ended March 31, 2021

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, receivables and bank balance.
- Financial assets that are debt instruments and are measured at FVTOCI.
- 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:

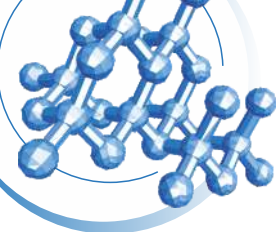
▶ **Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:** ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

▶ **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 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.



Notes to Financial Statements for the year ended March 31, 2021

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

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.

Classification	Name of the financial liability
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

Notes to Financial Statements for the year ended March 31, 2021

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.

S.No	Original classification	Revised classification	Accounting treatment
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.

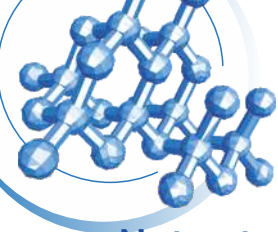
i) Foreign currency transactions and translations

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



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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

Notes to Financial Statements for the year ended March 31, 2021

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

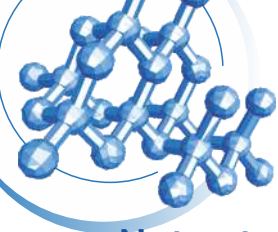
Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

n) Leases

Accounting policy applied till March 31, 2019 as Lessee

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.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating leases.



Notes to Financial Statements for the year ended March 31, 2021

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Accounting policy applied from April 01, 2019

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 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 or 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

Notes to Financial Statements for the year ended March 31, 2021

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

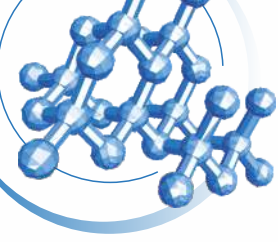
The Company classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Immediately before the initial classification of the asset (or disposal group) as held for sale, the carrying 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, 2021

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

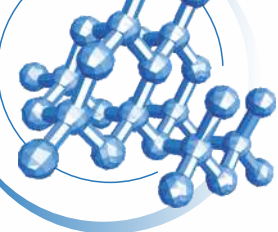
4 Property, Plant and Equipment

₹ 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	Computer Software
Cost as at April 1, 2019	2,608.52	52.83	16,736.47	1,18,211.10	259.13	13.24	1.53	438.58	1,530.38	1,39,851.78	2,544.28	60.67	2,604.95
Additions	-	-	44.75	272.27	-	-	-	4.39	12.66	334.07	-	3.31	3.31
Adjustments as per Ind AS 103 (refer note 51)	(71.87)	-	-	(17,505.91)	(11.04)	-	-	(55.76)	(64.29)	(17,708.87)	(386.12)	-	(386.12)
Disposals	-	-	-	-	(0.05)	(1.35)	-	-	-	(1.40)	-	(0.02)	(0.02)
Cost as at March 31, 2020	2,536.65	52.83	16,781.22	1,00,977.46	248.04	11.89	1.53	387.21	1,478.75	1,22,475.58	2,156.16	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)
Adjustments as per Ind AS 103	-	-	-	-	-	-	-	-	-	-	-	-	-
Classified as non current assets held for sale (refer note 52)	(1,308.53)	(52.22)	(2,388.51)	(2,288.69)	(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	14,392.71	99,046.03	219.09	10.02	1.59	326.76	1,305.04	1,16,529.97	1,012.91	54.06	1,066.97
Depreciation/ Amortisation													
As at April 1, 2019	-	0.61	1,541.22	23,394.42	109.59	3.69	1.01	48.80	711.65	25,800.99	509.49	11.28	520.77
Charge for the year	-	-	791.82	11,306.63	29.91	-	0.53	37.78	145.29	12,311.96	275.37	2.74	278.11
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	-	0.61	2,333.04	34,691.05	139.50	3.69	1.54	86.58	856.94	38,112.95	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	228.05	3.18	231.23
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	-	0.61	3,126.77	45,112.73	163.96	3.69	1.59	125.15	993.62	49,528.12	1,012.91	17.20	1,030.11
Net Block													
As at March 31, 2020	2,536.65	52.22	14,448.18	66,286.41	108.54	8.20	(0.01)	300.63	621.81	84,362.63	1,373.30	49.94	1,423.24
As at March 31, 2021	1,228.12	-	11,265.94	53,933.30	55.13	6.33	-	201.61	311.42	67,001.85	-	36.86	36.86

Notes to Financial Statements for the year ended March 31, 2021
(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

		₹ in Lakhs	
		As at March 31, 2021	As at March 31, 2020
5	Capital Work-in-progress		
	PPE under development (Also refer note 51)	743.06	1,507.18
		743.06	1,507.18
6	Intangible Assets under Development		
	Intangible Assets under Development (also refer note 52)	-	1,054.07
		-	1,054.07
7	Non-current investments		
	Investments in companies other than subsidiaries, associates and joint ventures at FVTOCI		
	Non - Trade		
	i. 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	12.62	6.00
	ii. 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
	911,430 equity shares of Rs. 10 each in Madras Stock Exchange Limited, fully paid up	23.99	23.99
	31,936 equity shares of Rs.10 each in MSE Financial Services Limited, fully paid up *	-	3.83
	83,033 equity shares of Rs.1/- each allotted in Madras Enterprises Limited *	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
		12,516.96	12,510.34
	Less: Provision for diminution in fair value of investments	(12,476.52)	(12,476.52)
		40.44	33.82



Notes to Financial Statements for the year ended March 31, 2021

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

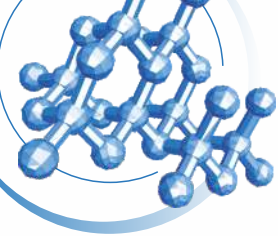
₹ in Lakhs

	As at March 31, 2021	As at March 31, 2020
Total non-current investments		
Aggregate value of quoted investments	12.62	6.00
Aggregate market value of quoted investments	12.62	6.00
Aggregate value of unquoted investments	12,504.34	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.		
8 Other non-current financial assets		
(Unsecured, considered good)		
Deposits for Electricity and Power	392.24	134.46
Fixed deposits with banks (maturing after 12 month from the reporting date)	1.33	-
Other Deposits	6.15	6.30
(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)
	399.72	140.76
9 Other non-current assets		
(Unsecured, considered doubtful)		
Advances to suppliers	15,333.30	15,333.30
	15,333.30	15,333.30
Less: Provision for expected credit loss	(15,333.30)	(15,333.30)
	-	-
10 Inventories		
Raw Materials	3,659.38	4,650.37
Intermediates & Work-in-progress	5,556.29	4,241.94
Finished Goods	5,148.90	4,303.82
Stores and Spare parts	143.99	295.83
Chemicals and Consumables	200.76	249.42
Packing Materials	347.25	336.72

Notes to Financial Statements for the year ended March 31, 2021

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

	₹ in Lakhs	
	As at March 31, 2021	As at March 31, 2020
	15,056.57	14,078.10
Inventory comprises of		
Raw Materials		
7Aca	507.30	144.86
7-HACA	176.71	222.04
Terbinafine Hydrochloride	-	211.69
Cephalexin Usp(Compacted)	-	-
Thiost	71.05	269.31
Others	2,904.32	3,802.47
	3,659.38	4,650.37
	As at March 31, 2021	As at March 31, 2020
Intermediates & Work-in-progress		
Cefuroxime Acid (Eu)	34.53	302.25
Pavest	132.28	187.21
Cefuroxime Axetil Crystallin Exdrier(Eu)	0.30	219.05
7-Acta (E)	10.39	9.92
Cefazolin Acid (U)	-	2.09
Cefazolin Inter	698.46	-
Cava (E)	129.30	323.86
Others	4,551.03	3,197.56
	5,556.29	4,241.94
Finished Goods		
Cephalothin Sodium Buffered Sterile	253.60	-
Ceftriaxone Sodium Ep (Sterile)	16.94	28.04
Cefuroxime Axetil Amorphous Blended	823.38	43.30
Cefixime Powder (Ep)	576.79	448.95
Ceftazidime Sodium Carbonate-Sterile(Ep)	-	66.85
Others	3,478.19	3,716.68
	5,148.90	4,303.82
Traded goods		
Others	-	-
	-	-
11 Current Investments		
Fair valued through profit and loss		
Investment in Mutual Funds	1,502.08	-
	1,502.08	-



Notes to Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

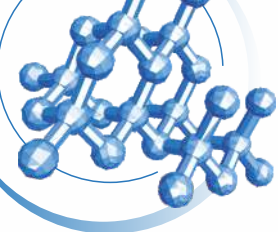
	As at March 31, 2021	As at March 31, 2020
12 Trade receivables		
Trade Receivables considered good - Secured	-	207.80
Trade Receivables considered good - Unsecured	13,196.12	6,430.31
Trade Receivables which have significant risk increase in credit risk	-	-
Trade Receivables credit impaired	6,722.06	6,956.77
	19,918.18	13,594.88
Less: Allowance for expected credit loss	(6,722.06)	(6,956.77)
	13,196.12	6,638.11
13 Cash and cash equivalents		
Cash on hand	4.36	1.56
Balances with banks		
In current accounts	300.68	8,815.54
Term Deposits		
In fixed deposit (having original maturity of less than 3 months)	1,170.00	-
	1,475.04	8,817.10
14 Other Bank Balances		
In Fixed Deposits with banks (maturing within 12 months from the reporting date)*		
	80.00	1.22
In earmarked accounts		
Escrow Accounts	341.78	8,413.66
	421.78	8,414.88
	As at March 31, 2021	As at March 31, 2020
15 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)
	-	-
16 Other current financial assets		
(Unsecured, considered good)		
Interest accrued	7.07	0.88
Rent Advances	-	10.87
	7.07	11.75

Notes to Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

	As at March 31, 2021	As at March 31, 2020
17 Current tax assets		
Advance income tax (net of provision for tax)	5,445.99	5,938.27
	5,445.99	5,938.27
18 Non current assets held for sale and disposal groups		
IKKT Undertaking	9,864.82	-
Land at Vishakhapatnam	891.40	-
Orchid Towers	1,328.97	-
(Also refer note 52)	12,085.19	-
19 Other current assets		
(Unsecured, considered good)		
Advance recoverable in cash or in kind		
Advance to suppliers	598.64	3,270.94
Prepaid expenses	219.90	1,234.84
MEIS license scripts entitlement	698.58	898.60
Balances with Statutory Authorities	3,517.97	7,171.30
Employees Advances	-	3.56
	5,035.09	12,579.24
20 Equity Share Capital		
Authorised Share Capital		
15,00,00,000 (Previous year 15,00,00,000) Equity shares of Rs. 10 each	15,000.00	15,000.00
	15,000.00	15,000.00
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
	As at March 31, 2021	As at March 31, 2020
Notes :		
(a) Reconciliation of number of equity shares subscribed		
Balance as at the beginning of the year	4,08,16,400	8,89,64,327
Add: Issued during the year	-	4,04,08,236
Less : Capital Reduction as per Resolution Plan	-	(8,85,56,163)
Balance at the end of the year	4,08,16,400	4,08,16,400



Notes to Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

(b) Shareholders holding more than 5% of the total share capital

Name of the share holders	March 31, 2021		March 31, 2020	
	No of shares	%	No of shares	%
Dhanuka Laboratories Ltd.*	4,00,00,072	98.00	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 10% within 18 months and 25% within three years from the date of implementation of the approved resolution plan. The Company is taking the necessary steps to achieve the required threshold limits.

(c) Rights, preferences and restrictions in respect of equity shares issued by the Company

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 proposed a dividend of Rs. Nil per equity share held (Previous year Rs. Nil per equity share held)

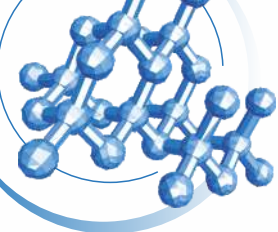
	As at March 31, 2021	As at March 31, 2020
21 Other Equity		
Capital Reserve	5,105.69	5,105.69
Capital Reserve on Amalgamation	1,63,125.58	1,63,125.58
Securities Premium	46,447.86	46,447.86
Equity component of Optionally convertible debentures	6,856.06	6,856.06
General Reserve	55,851.90	55,851.90
Foreign Currency Monetary Item Translation Difference Account	-	-
Other Comprehensive Income	(5.60)	(12.22)
Profit and Loss Account	(2,13,329.45)	(2,01,673.97)
	64,052.04	75,700.90
a) Capital reserve		
Balance at the beginning of the year	5,105.69	894.68
Reduction / Additions during the year	-	30,048.26
Effect of revision in provisional accounting for business combination as per Ind AS 109		(25,837.25)
Balance at the end of the year	5,105.69	5,105.69
b) Capital Reserve on Amalgamation		
Balance at the beginning of the year	1,63,125.58	9,004.21
Additions during the year on implementation of Resolution Plan	-	2,44,321.24
Appropriations on implementation of Resolution Plan	-	(90,199.87)
Balance at the end of the year	1,63,125.58	1,63,125.58
c) Securities Premium		
Balance at the beginning and end of the year	46,447.86	46,447.86

Notes to Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

	As at March 31, 2021	As at March 31, 2020
d) Equity component of Optionally convertible debentures		
Balance at the beginning of the year	6,856.06	-
Additions during the year on implementation of Resolution Plan	-	6,856.06
Balance at the end of the year	6,856.06	6,856.06
e) General Reserve		
Balance at the beginning and end of the year	55,851.90	55,851.90
f) Foreign Currency Monetary Item Translation Difference Account		
Balance at the beginning of the year	-	(1,238.14)
(Additions)/ Adjustments during the year	-	1,238.14
Balance at the end of the year	-	-
g) Other comprehensive income		
Balance at the beginning of the year	(12.22)	1.17
Net Other Comprehensive Income for the period	66.47	(202.23)
(Deductions)/ Adjustments during the year	(59.85)	188.84
Balance at the end of the year	(5.60)	(12.22)
h) Profit and Loss Account		
Balance at the beginning of the year	(2,01,673.97)	(1,95,357.17)
Net profit for the period	(11,715.33)	(14,983.58)
Reduction of share capital	-	8,855.62
Transfer from Other Comprehensive Income	59.85	(188.84)
Balance at the end of the year	(2,13,329.45)	(2,01,673.97)
22 Long Term Borrowings		
Secured		
From Banks		
Rupee Term Loans	36,400.00	49,192.24
Unsecured Loans		
'0% Optionally Convertible Debentures	8,589.74	7,447.07
Less: Current maturities of Long Term Debt (refer note 27)	(2,240.00)	(6,242.24)
(Also refer note 47 for terms and conditions of the borrowings)	42,749.74	50,397.07
23 Provisions (Non-current)		
Provision for Employee Benefits		
Compensated absence	272.61	412.92
Gratuity	881.28	765.62
	1,153.89	1,178.54



Notes to Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

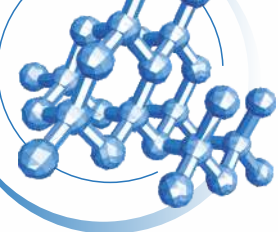
	As at March 31, 2021	As at March 31, 2020
24	Deferred Tax Asset / (Liability) - Net	
	Deferred Tax Liability	
	On Fixed Assets	19,749.52
	On Others	322.62
		20,072.14
	Deferred Tax Asset	
	On unabsorbed tax depreciation	19,749.52
	Net deferred tax asset / (liability)	(322.62)
	As at	As at
	March 31, 2021	March 31, 2020
25	Current liabilities - Borrowings	
	Secured*	
	Cash Credit Facility	-
		-
		-
		-
26	Trade payables	
	Dues to Micro enterprises and Small enterprises (refer note 43)	69.20
	Dues to Creditors other than Micro and Small enterprises	5,951.99
		6,021.19
27	Provisions (Current)	
	Provision for employee benefits	
	Gratuity	248.36
	Compensated absence	76.55
		324.91
28	Other current liabilities	
	Current maturities of Term Loans	6,242.24
	Statutory Liabilities	583.37
	Fractional Share amount payable to shareholders	-
	Employee related payable	-
	Advance and deposits from customers etc.,	146.67
		6,972.28
29	Revenue from operations	
	Sale of Products	
	Manufactured goods	46,172.26
	Traded goods	96.40
	Other Operating Revenues	
	Sale of Other Materials	1,783.17
	Others	69.07

Notes to Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

	As at March 31, 2021	As at March 31, 2020
	45,069.50	48,120.90
Details of Manufactured and Traded Goods		
i. Manufactured Goods:		
Cephalosporin API	43,688.61	45,639.60
Cephalosporin FDF	124.10	222.37
Non Penicillin Non Cephalosporin FDF	69.00	310.29
Others	-	-
	43,881.71	46,172.26
ii. Traded Goods		
Non Penicillin Non Cephalosporin FDF	-	43.81
Cephalosporin FDF	-	32.58
Non Penicillin Non Cephalosporin API	-	20.01
	-	96.40
30 Other income		
Interest income	73.26	2,417.51
Profit on sale of assets	1.41	8.82
Foreign exchange gain (net)	330.61	59.55
Income from fair valuation of Investments	90.10	-
Profit on sale of Investments	104.08	-
Other non-operating income	48.06	(58.16)
	647.52	2,427.72
31 Cost of materials consumed		
Opening inventory of raw materials	2,970.88	2,108.45
Add : Purchases	23,631.30	22,853.89
Less : Closing inventory of raw materials	(2,106.10)	(2,970.88)
	24,496.08	21,991.46
32 Purchases of Stock in Trade		
Purchases of Stock in Trade	-	46.97
	-	46.97



Notes to Financial Statements for the year ended March 31, 2021

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

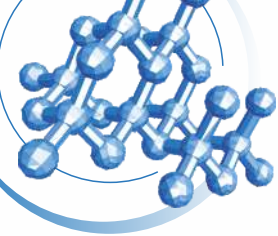
₹ in Lakhs

	As at March 31, 2021	As at March 31, 2020	
33	Changes in inventories of work-in-progress, stock in trade and finished goods		
	Opening Balance		
	Intermediates & Work-in-progress	4,241.94	5,024.60
	Traded Goods	-	158.92
	Finished Goods	4,308.83	1,359.99
		8,550.77	6,543.51
	Closing Balance		
	Intermediates & Work-in-progress	5,217.56	4,241.94
	Traded Goods	-	-
	Finished Goods	4,902.00	4,308.83
		10,119.56	8,550.77
	Total changes in inventories	1,568.79	2,007.26
34	Employee benefits expense		
	Salaries and wages	5,368.25	5,953.28
	Contribution to provident and other funds	501.69	549.08
	Staff welfare expenses	569.94	657.61
		6,439.88	7,159.97
35	Depreciation and amortisation expense		
	Depreciation on Property, Plant and Equipment	10,886.68	11,788.00
	Amortisation of Intangible Assets	3.18	2.74
		10,889.86	11,790.74
36	Finance Cost		
	Interest on Bank Borrowings	3,902.98	11.46
	Interest on others	1,230.58	404.39
		5,133.56	415.85
37	Other expenses		
	Power and Fuel	3,931.09	4,743.76
	Conversion Charges	-	1.16
	Consumption of Stores, Spares & Chemicals	1,149.12	2,019.16
	Rent	1.67	20.66
	Repairs to buildings	75.98	179.25
	Repairs to Machinery	65.59	206.53
	Factory maintenance	1,135.48	1,671.12
	Insurance	452.95	841.09
	Rates & Taxes	198.94	740.64
	Postage, Telephone & Telex	25.80	30.82
	Printing & Stationery	42.30	48.96

Notes to Financial Statements for the year ended March 31, 2021

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

	As at March 31, 2021	₹ in Lakhs As at March 31, 2020
Vehicle Maintenance	2.42	7.52
Research & Development Expenses	480.80	985.90
Advertisement	2.40	1.58
Recruitment expenses	3.42	5.58
Payment to Auditors [refer note 37(a)]	34.54	35.50
Cost Audit fee	2.00	2.75
Travelling and Conveyance	9.77	37.16
Directors' Remuneration & perquisites	102.88	11.20
Directors' sitting fees	6.50	-
Freight outward	795.90	314.23
Commission on Sales	347.63	298.78
Business Promotion and Selling Expenses	6.23	27.21
Lease Rentals	101.25	1,126.92
Consultancy & Professional Fees	540.70	1,341.50
Provision for Losses of Subsidiary Companies	-	-
Allowance for expected credit loss	132.80	3,096.54
Foreign exchange loss (net)	-	1,758.79
Bank charges	87.11	206.59
Miscellaneous expenses	178.38	235.74
	9,913.65	19,996.64
37(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	5.50
For certificate and other services	2.04	-
	34.54	35.50
38 Income tax expense		
(a) Income tax expense		
Current tax		
Current tax on profits for the year	-	-
Total current tax expense	-	-
Deferred tax		
Deferred tax adjustments	-	-
Total deferred tax expense/(benefit)	-	-
Income tax expense	-	-
b) The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit/(loss) before tax from continuing operations	(11,715.33)	(14,983.58)
Income tax expense calculated at Nil% (2020-21 - Nil%)	-	-
Income tax expense	-	-



Notes to Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

	As at March 31, 2021	As at March 31, 2020
c) Income tax recognised in other comprehensive income		
Deferred tax		
Remeasurement of defined benefit obligation	-	-
Total income tax recognised in other comprehensive income	-	-

d) Movement of deferred tax expense 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)

e) Movement of deferred tax expense during the year ended March 31, 2020

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	(24,031.60)	4,282.08	-	(19,749.52)
Unabsorbed tax depreciation*	24,031.60	(4,282.08)	-	19,749.52
Other temporary differences	(322.62)	-	-	(322.62)
	(322.62)	-	-	(322.62)

*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.

	For the year ended March 31, 2021	For the year ended March 31, 2020
39 Earnings per share		
Profit for the year attributable to owners of the Company	(11,715.33)	(14,983.58)
Weighted average number of ordinary shares outstanding	4,08,16,400	8,88,32,775
Basic earnings per share (Rs)	(28.70)	(16.87)
Diluted earnings per share (Rs)	(28.70)	(16.87)
40 Earnings in foreign currency		
FOB value of exports	39,664.05	44,157.12
41 Expenditure in foreign currency (on accrual basis)		
Travelling expenses	-	7.39
Interest and bank charges	14.25	21.12
Professional and consultancy charges	186.71	128.21
Others	321.03	556.54
	521.99	713.26
42 CIF value of imports		
Raw Materials and packing materials	16,697.68	14,324.00
Capital goods	-	202.18
Spare parts, components and consumables	73.36	813.49
	16,771.04	15,339.67

Notes to Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

43 Value of imported and indigenous Raw material Consumed during the financial year and the percentage of each to the total consumption

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Rs. In Lakhs	Percentage (%)	Rs. In Lakhs	Percentage (%)
Raw Materials and Packing Materials				
Imported	16,202.54	66.14	13,668.87	62.16
Indigenous	8,293.54	33.86	8,322.59	37.84
	24,496.08	100.00	21,991.46	100.00
Stores, Spares and Consumable stores				
Imported	56.36	4.90	163.62	8.10
Indigenous	1,092.76	95.10	1,855.54	91.90
	1,149.12	100.00	2,019.16	100.00

44 Expenditure on Research and Development

₹ in Lakhs

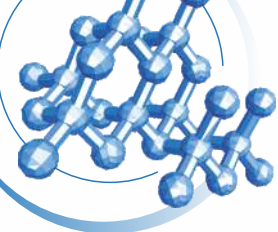
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue expenditure charged to the Statement of Profit or Loss includes:		
Power and fuel	0.89	11.53
Consumption of stores, spares and chemicals	39.09	87.77
Salaries, wages and bonus	369.30	728.04
Contribution to Provident and other funds	32.55	60.79
Insurance	0.49	1.98
Postage, telephone and telex	0.03	0.03
Printing and stationery	0.82	1.57
Vehicle maintenance	0.49	1.75
Recruitment expenses	-	0.27
Filing and registration expenses	1.22	5.05
Consultancy and professional fees	20.12	55.12
Others	15.80	32.00
	480.80	985.90

45 Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under *

₹ in Lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) The principal amount remaining unpaid at the end of the year	785.90	69.20
(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, 2021

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

46 Commitments and contingent liabilities

₹ in Lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contingent Liability		
Claims against the company not acknowledged as debts		
- Income Tax dispute pending before High Court of Chennai *	-	-
- Other claims **	-	-
Unexpired Letter of Credit	4,511.57	-
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	19.35	96.97

*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.1

** 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.1,025.67 Lakhs for the year ended March 31, 2021 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.

47 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.

48 Operating lease arrangements

The company has availed the practical expedient provided in Ind AS 116, "Leases" in respect of short term operating leases and accordingly, charged the lease rent paid in the statement of profit and loss as expenditure as detailed below.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
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	1,126.92

Notes to Financial Statements for the year ended March 31, 2021

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

49 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. November 30, 2022). 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 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 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; 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.

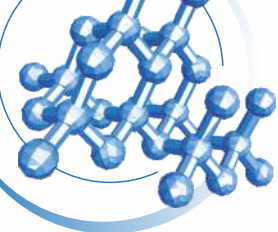
50 Financial Instruments

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.



Notes to Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

Gearing Ratio:	March 31, 2021	March 31, 2020
Debt	44,989.74	56,639.31
Less: Cash and bank balances	1,896.82	17,231.98
Net debt	43,092.92	39,407.33
Total equity	68,133.68	79,782.54
Gearing ratio (%)	63.25%	49.39%
Categories of Financial Instruments	March 31, 2021	March 31, 2020
Financial assets		
a. Measured at amortised cost		
Other non-current financial assets	399.72	140.76
Trade receivables	13,196.12	6,638.11
Cash and cash equivalents	1,475.04	8,817.10
Bank balances other than above	421.78	8,414.88
Loans (current)	-	-
Other financial assets	7.07	11.75
b. Mandatorily measured at FVTOCI		
Investments	40.44	33.82
c. Mandatorily measured at FVTPL		
Current Investments	1,502.08	-
Financial liabilities		
a. Measured at amortised cost		
Borrowings (non-current, excluding current maturities)	42,749.74	50,397.07
Borrowings (current)	284.26	-
Trade payables	6,873.99	6,021.19

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.

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:

Notes to Financial Statements for the year ended March 31, 2021

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

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

As on March 31, 2020

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	3.18	-	3.18	130.54	-	130.54	127.36
EUR	1.90	-	1.90	0.98	-	0.98	(0.92)
GBP	0.31	-	0.31	-	-	-	(0.31)
Others	2.15	-	2.15	-	-	-	(2.15)
In INR	436.17	-	436.17	9,823.55	-	9,823.55	9,387.38

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.

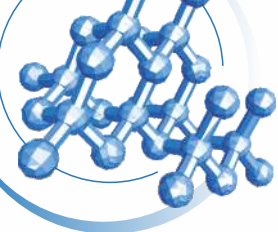
In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because of the existing exchange earning capacity of the company on account of its EOU status (Export oriented undertaking) and higher proportion of earnings in foreign exchange through exports.

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.



Notes to Financial Statements for the year ended March 31, 2021

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

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, 2021 would decrease/ increase by Rs. 91.00 lakhs (March 31, 2020 : Rs.107.75 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.

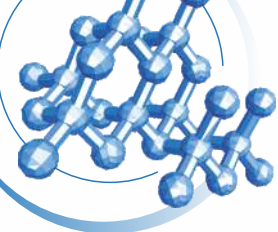
Notes to Financial Statements for the year ended March 31, 2021

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

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, 2020	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	6,021.19	-	-	6,021.19
Borrowings (including interest accrued thereon upto the reporting date)	6,242.24	41,857.07	8,540.00	56,639.31
	12,263.43	41,857.07	8,540.00	62,660.50

	March 31, 2021	March 31, 2020
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	Nil	Nil

51	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
b)	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



Notes to Financial Statements for the year ended March 31, 2021

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

c) Transactions with related parties are as follows

Transactions/ Balances	Holding Company		Enterprises in which Key Management Personnel and their Relatives have significant influence		Key Management Personnel and their Relatives	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Sale of goods	-	-	917.08	481.61	-	-
Purchase of goods	752.90	-	4,744.14	-	-	-
Availing of services	-	-	-	87.43	-	-
Short Term Borrowings / Advances received	-	12.04	-	-	-	-
Remuneration & Short term benefits*	-	-	-	-	109.70	57.20
Equity Share Capital allotted	-	4,000.00	-	-	-	-
Debentures issued	-	14,300.00	-	-	-	-

*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		Enterprises in which Key Management Personnel and their Relatives have significant influence		Key Management Personnel and their Relatives	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Trade receivables	-	-	3,418.21	2,830.05	-	-
Loans and advances (Current) *	-	-	5,229.36	5,229.36	-	-
Short term borrowings	-	12.04	-	-	-	-
Trade payables	-	-	446.10	31.12	-	-
Equity Share Capital	4,000.00	4,000.00	-	-	-	-
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, 2021

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

e) Material related party transactions are follows

₹ in Lakhs

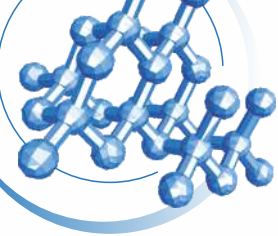
Transactions/ Balances	Year ended March 31, 2021	Year ended March 31, 2020
Sale of goods		
Orchid Pharma Inc.	912.15	481.61
Synmedic Laboratories	4.94	-
Purchase of goods		
Dhanuka Laboratories Limited	752.90	-
Otsuka Chemical (India) Pvt Ltd	4,744.14	-
Availing of services		
Orchid Europe Limited	-	87.43
Remuneration & Short term benefits		
a) Manish Dhanuka	50.66	-
b) Mridul Dhanuka	52.22	-
c) K. Nikita	6.82	0.46
Short Term Borrowings		
a) Dhanuka Laboratories Limited	-	12.04
Equity Share Capital		
Dhanuka Laboratories Limited	-	4,000.00
0% Optionally Convertible Debentures		
Dhanuka Laboratories Limited	-	14,300.00

f) Material related party balances are follows

₹ in Lakhs

Name of the related party	As at March 31, 2021	As at March 31, 2020
Trade receivables*		
Orchid Pharma Inc.	3,413.91	2,830.05
Synmedic Laboratories	4.94	-
Trade payables		
Dhanuka Laboratories Limited	74.56	-
Otsuka Chemical (India) Pvt Ltd	340.42	-
Orchid Europe Limited	31.12	31.12
Equity Share Capital		
Dhanuka Laboratories Limited	4,000.00	4,000.00
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



Notes to Financial Statements for the year ended March 31, 2021

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

52 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 331.51 Lakhs (for the year ended March 31, 2020: Rs. 603.62 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:

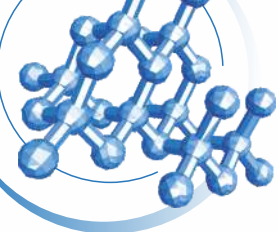
Particulars	March 31, 2021	March 31, 2020
Discount Rate	6.68%	6.57%
Rate of increase in compensation level	7.00%	7.00%
Expected return on plan assets	6.68%	6.57%
Mortality	Indian Assured Lives Mortality (2012-14)(Ultimate)	Indian Assured Lives Mortality (2012-14)(Ultimate)

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, 2021

(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, 2021	March 31, 2020
Amount recognised under Employee Benefits Expense in the Statement of profit and Loss:		
Current service cost	93.40	116.41
Net interest expense	99.88	87.01
Return on plan assets	(32.15)	(43.41)
Components of defined benefit costs recognised in profit or loss	161.13	160.01
Amount recognised in Other Comprehensive Income (OCI) for the Year	March 31, 2021	March 31, 2020
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses recognised during the period	(61.35)	190.42
Components of defined benefit costs recognised in other comprehensive income	(61.35)	190.42
Components of defined benefit costs recognised in other comprehensive income	99.78	350.43
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, 2021	March 31, 2020
Present value of defined benefit obligation	1,521.80	1,616.08
Fair value of plan assets	(408.04)	(602.10)
Net liability/ (asset) arising from defined benefit obligation	1,113.76	1,013.98
Funded	1,113.76	1,013.98
Unfunded	-	-
	1,113.76	1,013.98
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, 2021	March 31, 2020
Opening defined benefit obligation	1,616.08	1,419.72
Current service cost	93.40	116.41
Interest cost	99.88	87.01
Actuarial (gains)/losses	(46.02)	183.82
Benefits paid	(241.54)	(190.88)
Closing defined benefit obligation	1,521.80	1,616.08



Notes to Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

Movements in the fair value of the plan assets in the current year were as follows:	March 31, 2021	March 31, 2020
Opening fair value of plan assets	602.10	756.17
Return on plan assets	32.15	43.41
Contributions	-	-
Benefits paid	(241.54)	(190.88)
Actuarial gains/(loss)	15.33	(6.60)
Closing fair value of plan assets	408.04	602.10

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].

53 Business Combination

Summary of acquisition

The Hon'ble NCLT passed the order approving the resolution plan submitted by the successful resolution applicant, "Dhanuka Laboratories Limited" ("DLL") on June 27, 2019 and the same was upheld by Hon'ble Supreme Court of India vide its order dated February 28, 2020. Pursuant to the above order, DLL has infused the prescribed funds into the Company and implemented the resolution plan through the Monitoring Committee constituted with the nominations of the DLL, RP and two financial creditors of the Company on the effective date i.e. on March 31, 2020.

As per the approved Resolution Plan, DLL through its 100% subsidiary (a special purpose vehicle), Dhanuka Pharmaceuticals Private Limited ("DPPL") took over the liabilities of the Company against the consideration of 3,65,000 Non-Convertible Debentures of Rs.1,00,000 each. The special purpose vehicle was then amalgamated with the Company as per the approved resolution plan.

Provisional accounting of carrying amount of assets and liabilities done during the year ended March 31, 2020

The adjustments to the carrying amount have been made on a provision basis due to Covid'19 related restrictions in getting complete valuation for various assets and liabilities, including impairment on the carrying value of property, plant and equipment, capital work in progress, intangibles and intangibles under development.

Accordingly, the above business combination was accounted as per the following details:

Notes to Financial Statements for the year ended March 31, 2021

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

a) Liabilities assumed by Dhanuka Pharmaceuticals Private Limited		₹ in Lakhs
Particulars	Amount	
Financial Creditors		
Rupee Term Loans		2,14,736.57
Foreign Currency Term Loans		58,169.03
Working Capital Facilities / Borrowings		74,187.96
Loans from Banks		10,565.13
Loans from Others		4,368.50
Loans from related parties		3,216.77
		3,65,243.96
Operating creditors		
Provision for Employee Benefits (Non-Current)		1,178.53
Trade Payables		26,781.01
Provision for Employee Benefits (Current)		324.91
Other current liabilities		1,519.85
		29,804.30
Net Liabilities to be transferred		3,95,048.26
Capital Reserve		
Net Liabilities to be transferred		3,95,048.26
Value of Non Convertible Debentures issued against the above		3,65,000.00
Capital Reserve (Balancing Figure)		30,048.26

DPPL has then merged with the Company as per the resolution plan as per pooling of interest method prescribed for common control transactions as per Ind AS 103 "Business Combinations" and the difference is recognised as Capital Reserve.

Expenses in respect of the above amalgamation is incurred by DLL, hence, no such expenses were debited to the statement of profit and loss of the Company. As part of the resolution plan, DLL has infused Rs. 61,000 lakhs towards equity share capital (Rs.4,000 lakhs) and towards payment/ settlement of CIRP costs, employees/ workmen dues, Financial and Operational creditors dues (Rs.42,700 lakhs). DLL has also invested in 14,300 Zero Percent Optionally Convertible Debentures (OCD) of Rs. 1,00,000 each fully paid. The proceeds of the above issue has been utilised towards further amounts required for repayment to financial/ operational creditors and other dues as per the resolution plan.

Expenses in respect of the above amalgamation is incurred by DLL, hence, no such expenses were debited to the statement of profit and loss of the Company.

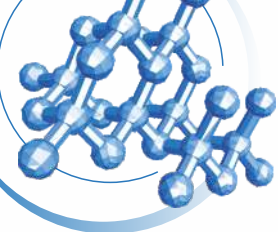
As part of the resolution plan, DLL has infused Rs. 61,000 lakhs as follows:

	INR Lakhs
(a) Investment in equity share capital	4,000
(b) Funds infused for towards payment/ settlement of CIRP costs, employees/ workmen dues, Financial and Operational creditors dues	42,700
(c) Investment in 14,300 Zero Percent Optionally Convertible Debentures (OCD) of Rs. 1,00,000 each fully paid.	14,300
Total	61,000

The proceeds of the above issue has been utilised towards further amounts required for repayment to financial/ operational creditors and other dues as per the resolution plan.

Capital reduction as envisaged in the resolution plan amounting to Rs.8,855.62 Lakhs has been made and adjusted against the retained earnings. Further issue of Rs.4,040.82 Lakhs have been made to the successful resolution applicant, DLL (Rs.4000.01 Lakhs) and to the Financial Creditors (Rs.40.81 Lakhs) as per the terms of the approved Resolution Plan.

Details of assets and liabilities taken over and resulting capital reserve on the above business combination (on provisional basis) is given below:



Notes to Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

a) Assets taken over and liabilities assumed (provisional basis)

Particulars	Amount
Assets taken over from DLL	
Bank Balance	1.57
Debit balance in profit and loss account	11.46
Non-Convertible Debentures	3,65,000.00
Liabilities assumed	
Long Term Borrowings (Financial Creditors)	(1,10,693.38)
Provision for Employee Benefits (Non-Current)	(1,178.54)
Trade Payables	(6,463.08)
Provision for Employee Benefits (Current)	(324.91)
Other current liabilities	(2,031.88)
Net identified assets taken over	2,44,321.24

b) Capital Reserve on business combination (provisional basis)

Particulars	Amount
Consideration paid to the existing share holders	-
Less: Net identifiable assets (taken over)	2,44,321.24
Capital Reserve on business combination	2,44,321.24

c) Adjustments made as per the Resolution Plan in Capital Reserve (provisional basis)

Particulars	Amount
Write off of	
Capital work in progress / Intangible Assets under development	(19,049.57)
Unamortised finance cost as per Ind AS	(567.59)
Deposits, advances and receivables not recoverable	(71,131.39)
Write back of liabilities no longer required	548.68
Total adjusted against capital reserve on Business Combination	(90,199.87)

Revision to Provisional accounting of business combinations during the year ended March 31, 2021

The Company has obtained a detailed valuation report on lifting of the general lockdown through external experts and also carried out a detailed internal assessment regarding the fair value of various assets taken over and liabilities assumed as part of the business combination.

The consequential adjustments have been made in March 2021 (i.e., within 1 year from the date of acquisition, called as "Measurement Period") as provided in Ind AS 103 for provisional accounting for business combinations.

During the measurement period, the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. Accordingly, the following adjustments have been made in the fair value of assets taken over and liabilities assumed as on the acquisition date with the additional information available with the Company through external and internal assessment.

Notes to Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

Further adjustments made to Capital Reserve as per Para 45 to 49 of Ind AS 109 during the measurement period		
Particulars	Amount	Amount
Capital Reserve as per provision accounting for business combinations as at March 31, 2020		30,942.94
Less : Further adjustments made during the measurement period		
Revision in fair value of property, plant and equipment	17,708.87	
Revision in fair value of Capital work in progress	6,290.93	
Revision in fair value of Intangible assets	386.12	
Liabilities no longer required written back	(587.80)	
Pre CIRP additional payment Financial Creditors as per RP approval	250.00	
Pre CIRP Bank balances written off as per RP approval	187.97	
Pre CIRP CESTAT and VAT Deposit written off as per RP approval	195.73	
Employee advances written off	3.95	
Revision in fair value of Stores and Spares	1,295.91	
Revision in fair value of Inventories	105.55	
Others	0.02	
		25,837.25
Capital Reserve on Business Combination		5,105.69

During the measurement period, the Company recognised adjustments to the provisional amounts as if the accounting for the business combination had been completed at the acquisition date. Thus, the Company has revised the comparative information for prior periods presented in financial statements as needed.

Significant estimate - Contingent Consideration

There was no contingent consideration identified in the above amalgamation. Hence, no disclosures were required.

Significant Judgement - Contingent Liability

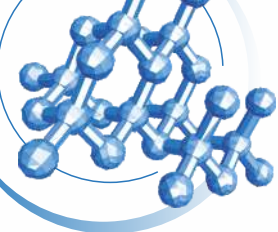
There was no contingent liability identified in the above amalgamation. Hence, no disclosures were required.

54 Discontinuing operations

The board of directors in their meeting held on November 11, 2020 approved the sale/ transfer/ dispose of its manufacturing division at Irungattukottai (IKKT) on a going concern basis. Pursuant to this, the Company has signed the binding term sheet on May 5, 2021 with the buyer for the sale of IKKT division at a consideration upto to an amount of INR 170 Crores.

Operating results of the Company's discontinuing operations (IKKT division) are summarised as follows for the year March 31, 2021.

(i) The carrying value of the total assets and liabilities of discontinued operations		
Liabilities		
Non Current liabilities		-
Financial Liabilities		983.36
Other Current Liabilities		25.59
Total liabilities		1,008.95



Notes to Financial Statements for the year ended March 31, 2021

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

	₹ in Lakhs
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, 2021	For the year ended March 31, 2020
Revenue		
Revenue from operations (Net)	2,133.27	2,423.89
Other Income	(33.24)	21.10
Total revenue (a)	2,100.03	2,444.99
Expenses		
Cost of materials consumed	938.63	1,402.18
Purchases of Stock in Trade	-	-
Changes in inventories of work-in-progress, stock in trade and finished goods	(485.09)	2,590.46
Employee benefits expense	751.68	988.27
Depreciation and amortization expense	756.54	799.33
Other expenses	2,266.38	2,802.58
Total expenses (b)	4,228.14	8,582.82
Loss) before exceptional item and tax (a-b) = (c)	(2,128.11)	(6,137.83)
Less : Exceptional item	-	-
Loss before tax	(2,128.11)	(6,137.83)
Tax expenses	-	-
Loss from discontinuing operations	(2,128.11)	(6,137.83)

As required by Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations", 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, 2021

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

- 55** Due to the restrictions imposed due to Covid'19, the Company could not complete comprehensive physical verification of fixed assets/ related reconciliation with the books of account. Pending completion of the aforesaid comprehensive reconciliation, the possible impact, if any, is not presently determinable. Accordingly, no adjustment has been made in the financial statements.
- 56** During the year, the Company recognised adjustments to the provisional amounts considered in the business combination accounting in last year, as if the accounting for the business combination had been completed at the acquisition date. Thus, the Company has revised the comparative information for prior period presented in financial statements as needed. Accordingly, the current year figures may not be fully comparable with that of the previous year.

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
UDIN: 21027501AAAACN5744
Place: Chennai
Date: May 22, 2021

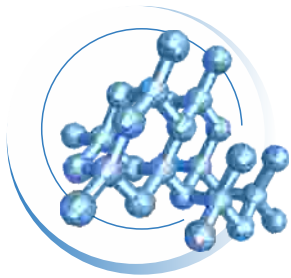
For and on behalf of the Board of Directors of
Orchid Pharma Limited

Manish Dhanuka
Managing Director
DIN: 00238798
Place: Gurgaon
Date: May 22, 2021

Mridul Dhanuka
Whole Time Director
DIN: 00199441
Place: Gurgaon
Date: May 22, 2021

Sunil Gupta
Chief Financial Officer
Place : Gurgaon
Date: May 22, 2021

Nikita K
Company Secretary
Place: Chennai
Date: May 22, 2021



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"), which comprise of the Balance Sheet as at March 31, 2021, 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, 2021, 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 following matters:

a) Note 51 to the Consolidated financial statements which describes that due to the extension of complete/ partial lockdown across India to contain the spread of the Covid'19 virus, the company could not complete the physical verification of fixed assets and its related reconciliation with the books of account. Accordingly, we are unable to comment on the possible impact, if any, arising out of the above matters. This is was qualified in our earlier year audit report also; and

b) The Consolidated Financial Statements for the year ended March 31, 2021 include the financial statements for the year ended March 31, 2021, 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

We did not audit the standalone financial statements of the above subsidiaries that reflect total assets of Rs. 2,211.11 lakhs and net assets of (-)Rs.6,402.23 lakhs as at March 31, 2021, total revenue of Rs. 848.69 lakhs, total comprehensive loss (comprising of loss and other comprehensive income) of (-)Rs.580.31 lakhs and net cash flows amounting to Rs.77.70 lakhs for the year ended on that date, as considered in the consolidated financial statements.

The standalone financial statements of the subsidiaries 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, 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 the balance in foreign currency translation reserve as at March 31, 2021 included in the Consolidated Financial Statements. This is a matter of qualification in our earlier years' audit reports also.

c) Our audit report has been qualified in respect of matters referred to clauses (a) to (c) above.

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.

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.

Accounting for Business Combination as per Ind AS 103 and the related revision in the provisional accounting done in the previous year

As more fully explained in Note 50 to the consolidated financial statements, M/s Dhanuka Laboratories Limited, the successful resolution applicant has infused the required investments as per the approved Resolution Plan (“the Said Plan”) and the Group has accounted for the transactions relating to the above as directed by the Hon’ble NCLT on March 31, 2020. The adjustments to the carrying amount have been made on a provision basis due to Covid’19 related restrictions in getting complete valuation for various assets and liabilities, including impairment on the carrying value of property, plant and equipment, capital work in progress, intangibles and intangibles under development.

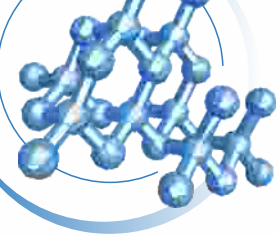
The Group has obtained a detailed valuation report on lifting of the general lockdown through external experts and detailed internal assessment regarding the fair value of various assets taken over and liabilities assumed as part of the business combination. The consequential adjustments have been made in March 2021 (i.e., within 1 year from the date of acquisition) as provided in Para 45 to Para 49 of Ind AS 103 for provisional accounting for business combinations.

Principal Audit Procedures

- We assessed the Group’s process to identify, assess and respond to risks of material misstatement considering the complexity of the terms and conditions of the Said Plan and the impact of the revision to the provisional accounting of the business combination on the Group’s operations and consolidated financial statements for the year under consideration.
- 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 ANDA/ DMF and intangibles under development, including related disclosure requirements under the Act and respective Indian Accounting Standards.
- We have considered the impact on the processes and controls that may be affected by necessary changes to business processes in light of circumstances such as travel restrictions,

result of remote working arrangements etc.

- We have reviewed the terms and conditions stipulated by the Hon’ble NCLT in the Said Plan.
- We have reviewed the valuation report of the independent external expert who has carried out the impairment assessment of property, plant and equipment and the assumptions considered in the valuation
- We have obtained the internal assessment regarding the final fair value of various assets taken over and liabilities assumed as part of the business combination as on the date of acquisition, which were provisionally accounted for business combination as per Ind AS 103 in the previous year and the basis of such conclusions.
- We have designed, performed new procedures and modified previously planned audit procedures as a result of the necessity for carrying out the audit procedures remotely, including verification of the source and completeness of data provided for audit. This includes performing alternative audit procedures to obtain audit comfort in respect of significant account balances for recognition, measurement and disclosures.
- 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 considered the basis of management judgment in determining impact on the consolidated financial statements of subsequent events related to the implementation of the Said Plan (in light of the COVID-19 related restrictions) taking into consideration the date of the consolidated financial statements, the facts and circumstances pertaining to the entity, and the conditions that existed at, or arose after, that date. As the impacts of the COVID-19 outbreak continue to evolve, including regulatory restrictions/ conditions, capturing events that relate specifically to conditions that existed at the date of the consolidated financial statements, or after the date of the consolidated financial statements, we have considered all subsequent events and transactions to substantiate our conclusions on the appropriateness of management’s estimate in making the adjustments as per the Said Plan.
- We have considered management’s adjustments or disclosures which includes the impact of the changes in the Accounting for Business Combination as per Ind AS 103 and the related revision in the provisional accounting done in the previous year on the recognition and measurement of account balances and transactions in the consolidated financial statements or



other specific disclosures as per the said plan.

Emphasis of Matters

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

- (a) Note 40 to the Consolidated financial statement which describes 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. 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 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 Rs.1,025.67 Lakhs for the year ended March 31, 2021 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) "Estimation of uncertainties relating to the global health pandemic from COVID-19" section of Note 2 to the consolidated financial statements which describes the uncertainties and the impact of Covid-19 pandemic on the Group's operations and results as assessed by the management.

Other Matters

Further to the continuous spreading of COVID-19 across India, the Central and State Governments announced partial/ complete lock down during April and May 2021 to contain the spread of the virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the major portion of the audit was carried out based on remote access of the data as provided the management. This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/

Remote Audit/ Online Audit under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the Group without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

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)(1) 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

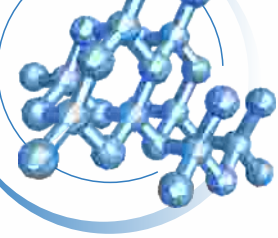
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material 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 requirements

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 Holding Company, its subsidiaries included in the Group incorporated in India, including relevant records relating to preparation of the aforesaid Consolidated Financial Statements so far as it appears from our examination of those books and records of the Holding Company and the unaudited results of the subsidiary companies prepared by the management;
- (c) the consolidated balance sheet, consolidated statement of profit and loss (including consolidated other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flow dealt with by this report are in agreement with the relevant books of account maintained by the Holding Company and its subsidiaries included in the Group incorporated in India, including relevant records relating to the preparation of the Consolidated Financial Statements;
- (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 as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure "A". Our report expresses a modified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting; and
- (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 41 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.

For CNGSN & ASSOCIATES LLP

Chartered Accountants

Firm's Registration No. 004915S/ S200036

(CHINNSAMY GANESAN)

Partner

Membership No. 027501

UDIN: 21027501AAAACN5744

Place: Chennai

Date: May 22, 2021

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, 2021, 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 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 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

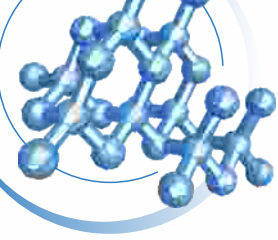
A Group's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. 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.

Qualified 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, 2021, 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.

Other matters

We bring to the attention of the users that the audit of the internal financial control system over financial reporting and the operating effectiveness of such internal financial controls over financial reporting has been performed remotely in the conditions more fully explained in the Other Matters Paragraph of our Independent Audit Report on the audit of the Consolidated Financial Statements.

Our opinion on the internal financial control system over financial reporting is not modified in respect of the above.

For CNGSN & ASSOCIATES LLP

Chartered Accountants
Firm Registration No.004915S/ S200036

(CHINNSAMY GANESAN)

Partner
Membership No. 027501
UDIN: 21027501AAAACN5744

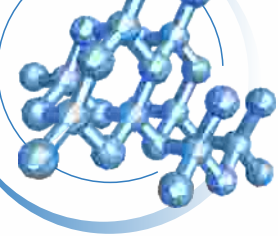
Place: Chennai
Date: May 22, 2021

Consolidated Balance Sheet as at March 31, 2021

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

₹ in Lakhs

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4	67,007.68	84,370.24
Intangible assets	4	36.86	1,423.25
Capital work in progress	5	743.06	1,507.18
Intangible Assets under Development	6	-	1,054.07
Financial assets			
Investments	7	40.44	33.82
Other financial assets	8	399.72	140.76
Other non-current assets	9	511.74	528.77
Total non-current assets		68,739.50	89,058.09
Current assets			
Inventories	10	15,288.53	14,169.47
Financial assets			
Investments	11	1,502.08	-
Trade receivables	12	13,569.81	6,796.94
Cash and cash equivalents	13	1,569.39	8,989.15
Bank balances other than above	14	421.78	8,414.88
Loans	15	-	-
Other financial assets	16	7.07	11.75
Current tax assets (net)	17	5,445.99	5,938.27
Non current assets held for sale and disposal groups	18	12,085.19	-
Other current assets	19	5,095.87	12,611.98
Total current assets		54,985.71	56,932.44
Total Assets		1,23,725.21	1,45,990.53
EQUITY AND LIABILITIES			
Equity			
Equity share capital	20	4,081.64	4,081.64
Other equity	21	61,209.14	72,516.84
Total equity		65,290.78	76,598.48
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	22	42,749.74	50,397.07
Provisions	23	1,153.89	1,178.54
Deferred Tax Liability	24	322.62	322.62
Total non-current liabilities		44,226.25	51,898.23



Consolidated Balance Sheet as at March 31, 2021

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

₹ in Lakhs

	Notes	As at March 31, 2021	As at March 31, 2020
Current liabilities			
Financial liabilities			
Borrowings	25	284.26	-
Trade payables	26	10,995.24	10,158.86
Short term provisions	27	352.44	324.91
Other current liabilities	28	2,576.24	7,010.05
Total current liabilities		14,208.18	17,493.82
Total Liabilities		58,434.43	69,392.05
Total Equity and Liabilities		1,23,725.21	1,45,990.53

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
UDIN: 21027501AAAACN5744
Place: Chennai
Date: May 22, 2021

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

Manish Dhanuka
Managing Director
DIN: 00238798
Place: Gurgaon
Date: May 22, 2021

Mridul Dhanuka
Whole Time Director
DIN: 00199441
Place: Gurgaon
Date: May 22, 2021

Sunil Gupta
Chief Financial Officer
Place : Gurgaon
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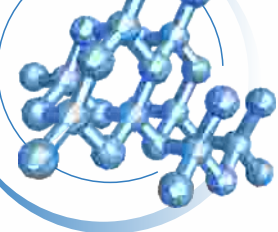
Nikita K
Company Secretary
Place: Chennai
Date: May 22, 2021

Statement of Consolidated Profit and Loss for the year ended March 31, 2021

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

₹ in Lakhs

		Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Continuing Operations				
A	Income			
	Revenue from operations	29	45,006.04	48,380.15
	Other income	30	1,522.57	2,427.72
	Total income		46,528.61	50,807.87
B	Expenses			
	Cost of materials consumed	31	24,559.65	22,121.19
	Purchases of stock in trade	32	-	46.96
	Changes in inventories of finished goods and WIP	33	(1,709.38)	(1,832.56)
	Employee benefits expense	34	6,710.79	7,486.49
	Depreciation and amortisation expense	35	10,891.64	11,792.78
	Finance costs	36	5,133.56	415.85
	Other expenses	37	10,467.24	17,746.34
	Total expenses		56,053.50	57,777.05
C	Loss before exceptional items and tax		(9,524.89)	(6,969.18)
	Exceptional items		-	-
D	Loss before tax from continuing operations		(9,524.89)	(6,969.18)
	Income tax expense			
	Current tax		-	-
	Deferred tax charge/ (credit)		-	-
	Loss after tax from continuing operations		(9,524.89)	(6,969.18)
Discontinuing Operations				
E	Loss for the year from discontinued operations		(2,128.11)	(6,137.83)
	Tax expense of discontinued operations		-	-
	Loss from discontinued operations after tax		(2,128.11)	(6,137.83)
F	Loss for the year		(11,653.00)	(13,107.01)



Statement of Consolidated Profit and Loss for the year ended March 31, 2021

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

₹ in Lakhs

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
G			
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		59.85	(188.84)
Gain/(Loss) on fair valuation of investments		6.62	(13.39)
Income tax (charge)/ credit relating to these items			-
Other comprehensive income/ (loss) for the year, net of tax		66.47	(202.23)
Total comprehensive loss for the year		(11,586.53)	(13,309.24)
Earnings per share	39		
Basic earnings per share		(28.55)	(14.75)
Diluted earnings per share		(28.55)	(14.75)

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
UDIN: 21027501AAAACN5744
Place: Chennai
Date: May 22, 2021

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

Manish Dhanuka
Managing Director
DIN: 00238798
Place: Gurgaon
Date: May 22, 2021

Mridul Dhanuka
Whole Time Director
DIN: 00199441
Place: Gurgaon
Date: May 22, 2021

Sunil Gupta
Chief Financial Officer
Place : Gurgaon
Date: May 22, 2021

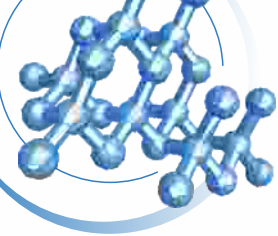
Nikita K
Company Secretary
Place: Chennai
Date: May 22, 2021

Statement of Consolidated Cash Flows for the year ended March 31, 2021

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

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash Flow From Operating Activities		
Profit/ loss before income tax	(11,653.00)	(13,107.01)
Adjustments for		
Depreciation and amortisation expense	10,891.64	11,792.78
Depreciation and amortisation expense of discontinuing operations	756.54	799.33
(Profit)/ loss on sale of fixed assets	6.50	(8.82)
Interest income	(73.26)	(2,417.51)
Unrealised forex (gain)/ loss	561.67	3,108.55
Allowance for expected credit loss	132.80	266.49
Finance costs	5,133.56	415.85
Fair valuation (Gain)/ Loss on investments	(90.10)	-
(Profit)/ loss on sale of investments	(104.08)	-
	5,562.27	849.66
Change in operating assets and liabilities		
(Increase)/ decrease in Other financial assets	(326.82)	829.15
(Increase)/ decrease in inventories	(3,349.85)	1,406.28
(Increase)/ decrease in trade receivables	(8,202.48)	4,401.10
(Increase)/ decrease in Other assets	6,733.40	(688.52)
Increase/ (decrease) in provisions and other liabilities	(343.25)	(528.69)
Increase/ (decrease) in trade payables	1,793.05	769.19
Cash generated from operations	1,866.32	7,038.17
Add : Income taxes received (net of payments)	492.28	1,042.13
Net cash from operating activities (A)	2,358.60	8,080.30
Cash Flows From Investing Activities		
Purchase of PPE (including changes in CWIP)	(60.40)	(424.24)
Sale proceeds of PPE	28.64	-
(Purchase)/ disposal proceeds of Investments	(1,307.90)	-
(Investments in)/ Maturity of fixed deposits with banks	7,993.10	14,717.94
Interest received	67.07	2,417.51
Net cash used in investing activities (B)	6720.51	16,711.21



Statement of Consolidated Cash Flows for the year ended March 31, 2021

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

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash Flows From Financing Activities		
Proceeds from issue of equity share capital	-	4,000.00
Proceeds from Borrowings	-	75,409.40
Repayment of Borrowings (net)	(12,508.00)	(1,04,410.32)
Finance costs	(3,990.87)	(32.53)
Net cash from/ (used in) financing activities (C)	(16,498.87)	(25,033.45)
Net increase/decrease in cash and cash equivalents (A+B+C)	(7,419.76)	(241.94)
Cash and cash equivalents at the beginning of the financial year	8,989.15	9,231.09
Cash and cash equivalents at end of the year	1,569.39	8,989.15
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	395.03	8,987.59
- in fixed deposit with original maturity of less than 3 months	1,170.00	-
Cash on hand	4.36	1.56
	1,569.39	8,989.15

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
UDIN: 21027501AAAACN5744
Place: Chennai
Date: May 22, 2021

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

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Managing Director
DIN: 00238798
Place: Gurgaon
Date: May 22, 2021

Mridul Dhanuka
Whole Time Director
DIN: 00199441
Place: Gurgaon
Date: May 22, 2021

Sunil Gupta
Chief Financial Officer
Place : Gurgaon
Date: May 22, 2021

Nikita K
Company Secretary
Place: Chennai
Date: May 22, 2021

Statement of Consolidated Changes in Equity for the year ended March 31, 2021

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

(A) Equity Share Capital

Balance at the end of April 1, 2019	8896.43
Changes in equity share capital during the year	4,814.79
Balance at the end of March 31, 2020	4,081.64
Changes in equity share capital during the year	-
Balance at the end of March 31, 2021	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 Monetary Item Translation Difference Account	Foreign Currency Fluctuation Reserve	Other Comprehensive Income	Profit and Loss Account	Total
Balance as at April 1, 2019	894.68	9,004.21	46,447.86	-	55,851.90	(1,238.14)	(3,277.80)	1.17	(1,86,984.06)	(79,300.18)
Income/ (loss) for the year	-	-	-	-	-	-	-	(202.23)	(13,107.01)	(13,309.24)
Reduction of Share Capital	-	-	-	-	-	-	-	-	8,855.62	8,855.62
Additions/ (deductions) during the year	4211.01	154,121.37	-	6,856.06	-	1,238.14	(10,155.94)	188.84	(188.84)	1,56,270.64
Balance as at March 31, 2020	5,105.69	1,63,125.58	46,447.86	6,856.06	55,851.90	-	(13,433.74)	(12.22)	(1,91,424.29)	72,516.84
Income/ (loss) for the year	-	-	-	-	-	-	-	66.47	11,653.00	(11,586.53)
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	-	(13,154.91)	(5.60)	(2,03,017.44)	61,209.14

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

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

Chinnsamy Ganesan

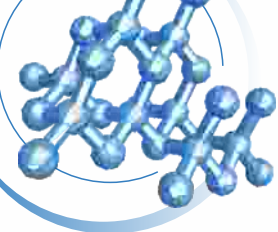
Partner
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Chief Financial Officer
Place : Gurgaon
Date: May 22, 2021

Nikita K
Company Secretary
Place: Chennai
Date: May 22, 2021



Notes to Consolidated Financial Statements for the year ended March 31, 2021

1 Corporate Information

The Consolidated Financial Statements comprise financial statements of "Orchid Pharma Limited" ("the Holding Company") and its subsidiaries (collectively referred to as "the Group") for the year ended March 31, 2021.

"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. The Company has invested in the following companies :The Company, its Subsidiaries and its Associate are collectively referred as "the Group"."

- 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 Phamaceutical research and development.

"The Hon'ble National Company Law Tribunal (NCLT) has, by its order dated June 27, 2019 approved the resolution plan submitted by the successful resolution applicant M/s Dhanuka Laboratories Limited (DLL) and the order of the NCLT was upheld by Hon'ble Supreme Court vide its order dated February 28, 2020.

Accordingly, the Resolution Plan submitted by Dhanuka Laboratories Limited, the successful Resolution Applicant, was implemented during March 2020 and the Board was reconstituted by the Monitoring Committee of Orchid Pharma Limited (OPL) with the nominations from the Resolution Applicant on the effective date i.e. on March 31, 2020 as described in the Resolution Plan. Thus the Company became a subsidiary of M/s Dhanuka Laboratories Limited with effect from 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 DLL."

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.

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."

The Consolidated Financial Statements comprises of Orchid Pharma Limited and all its subsidiaries, being the entities that it controls. Controls are assessed in accordance with the requirement of Ind AS 110 - Consolidated Financial Statements.

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 Company'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.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

- 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, 2021 to March 31, 2021 in respect of subsidiaries/ having financial year ended December 31, 2020.
- 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.

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 Company's Resolution Professionals/ Board of Directors on May 22, 2021.

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 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

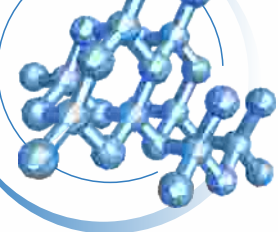
Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained/ recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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



Notes to Consolidated Financial Statements for the year ended March 31, 2021

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 Schedule III to the Companies Act, 2013

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period
- Specified format for disclosure of shareholding of promoters
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development
- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of Profit and Loss

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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

Notes to Consolidated Financial Statements for the year ended March 31, 2021

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.

c) Revenue Recognition

Sale of goods

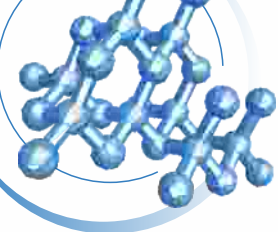
"Revenue is recognised when the company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when the customer obtains control of that asset., which generally coincides with the despatch of the goods or as per the inco-terms agreed with the customers."

"Revenue is measured at the 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 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



Notes to Consolidated Financial Statements for the year ended March 31, 2021

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

Notes to Consolidated Financial Statements for the year ended March 31, 2021

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.

(i) Raw materials/ Chemicals/ Packing materials/ Stores & spares: At cost or net realisable value.

(ii) Work-in-progress and intermediates: At cost or net realisable value whichever is lower, after adjustment of unrealised profits on inter division transfer. Variable and fixed overhead incurred for bringing the inventory to present location and conditions are allocated

(iii) Finished goods/ Traded goods: At cost or net realisable value whichever is lower, after adjustment of unrealised profits on inter division transfer. Variable and fixed overhead incurred for bringing the inventory to present location and conditions are allocated "

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:

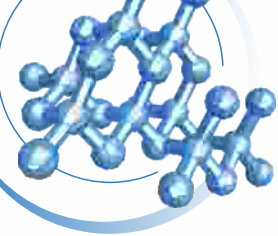
- ▶ Debt instruments at amortised cost
- ▶ Debt instruments at fair value through other comprehensive income (FVTOCI)
- ▶ Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- ▶ Equity instruments measured at fair value through other comprehensive income (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.



Notes to Consolidated Financial Statements for the year ended March 31, 2021

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.

Classification	Name of the financial asset
FVTOCI	Equity Investments in companies other than subsidiaries and associates if any 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".

Notes to Consolidated Financial Statements for the year ended March 31, 2021

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

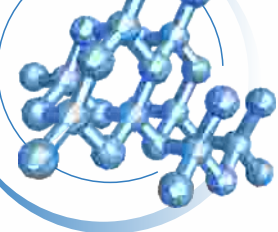
Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

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



Notes to Consolidated Financial Statements

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 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 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 Group 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 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

S.No	Original classification	Revised classification	Accounting treatment
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).

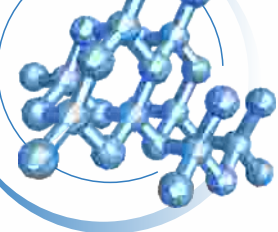
The Group enters into forward exchange contract to hedge its risk associated with foreign currency fluctuations. The premium or discount arising at the inception of a forward exchange contract is amortized as expense or income over the life of the contract. In case of monetary items which are covered 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



Notes to Consolidated Financial Statements for the year ended March 31, 2021

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

Notes to Consolidated Financial Statements for the year ended March 31, 2021

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

Accounting policy applied till March 31, 2019 as Lessee

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.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. All other leases are operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at

the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Accounting policy applied from April 01, 2019

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.

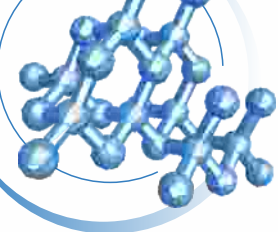
The Company has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line 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 or lesser) as an expense in the statement of profit and loss on a straight-line basis or any other systematic approach as



Notes to Consolidated Financial Statements for the year ended March 31, 2021

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 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.

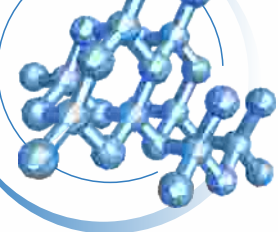
Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity 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 the Consolidated Financial Statements for the year ended March 31, 2021

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

4. Property, plant and equipment

Particulars	Tangible Assets										Intangible Assets				
	Freehold Land & Site Development	Leasehold Land	Buildings	Plant and Machinery	Furniture and Fittings	Vehicles	Office Equipment	Factory Equipment	Laboratory Equipment	Total	Goodwill	Patents Registrations	Internally generated DMF and ANDA	Computer Software	Total
Cost as at April 1, 2019	2,608.52	52.83	16,737.53	1,18,212.70	267.32	13.20	3.42	438.60	1,530.41	1,39,864.53	9,482.32	-	2,544.28	60.67	12,087.27
Additions	-	-	44.75	273.04	-	-	-	4.39	12.66	334.84	-	-	-	3.31	3.31
Adjustments as per Ind AS 103 (refer note 50)	(71.87)	-	-	(17,505.91)	(11.04)	-	-	(55.76)	(64.29)	(17,708.87)	-	-	(386.12)	-	(386.12)
Disposals	-	-	-	-	(0.05)	(1.35)	-	-	-	(1.40)	(9,482.32)	-	-	(0.02)	(9,482.34)
Cost as at March 31, 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)
Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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)
(Refer Note 51)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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
Depreciation/Amortisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at April 1, 2019	-	0.61	1,541.29	23,385.25	112.44	3.69	1.13	48.80	711.65	25,804.86	-	-	509.49	11.28	520.77
Charge for the year	-	-	791.82	11,306.63	29.91	-	0.52	39.83	145.29	12,314.00	-	-	275.37	2.74	278.11
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 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
Net Block	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	2,536.65	52.22	14,449.17	66,287.95	113.88	8.16	1.77	286.60	621.84	84,370.24	-	-	1,373.30	49.94	1,423.25
As at March 31, 2021	1,228.12	-	11,286.93	53,934.84	60.47	6.29	-	199.58	311.45	67,007.68	-	-	-	36.86	36.86



Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

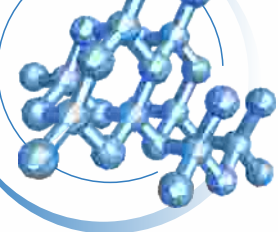
	As at March 31, 2021	As at March 31, 2020
5 Capital Work-in-progress		
PPE under development (Also refer note 50)	743.06	1,507.18
	743.06	1,507.18
6 Intangible Assets under Development		
Intangible Assets under Development (Also refer note 51)	-	1,054.07
	-	1,054.07
7 Non-current investments		
Non Trade		
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	12.62	6.00
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
911,430 equity shares of Rs. 10 each in Madras Stock Exchange-Non Traded, fully paid up	23.99	23.99
31,936 equity shares of Rs.10 each in MSE Financial services Limited fully paid up *	-	3.83
83,033 equity shares of Rs.1/- each allotted in Madras Enterprises Limited *	3.83	-
	100.44	93.82
Less: Provision for diminution in value of investments	(60.00)	(60.00)
	40.44	33.82
* 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.		
Total non-current investments		
Aggregate value of quoted investments	12.62	6.00
Aggregate market value of quoted investments	12.62	6.00
Aggregate value of unquoted investments	87.82	87.82
Aggregate amount of impairment in value of investments	60.00	60.00
8 Other non-current financial assets		
(Unsecured, considered good)		
Deposits for Electricity and Power	392.24	134.46
Fixed deposits with banks (maturing after 12 month from the reporting date)	1.33	-
Other Deposits	6.15	6.30
(Unsecured, considered doubtful)		
Others	202.66	202.66
Less : Provision for expected credit loss	(202.66)	(202.66)
	399.72	140.76

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

	As at March 31, 2021	As at March 31, 2020
9 Other non-current assets		
(Unsecured, considered good)		
Advances to suppliers	511.74	528.77
(Unsecured, considered doubtful)		
Advances to suppliers	15,333.30	15,333.30
	15,845.04	15,862.07
Less : Provision for expected losses	(15,333.30)	(15,333.30)
	511.74	528.77
10 Inventories		
Raw Materials	3,659.38	4,650.37
Intermediates & Work-in-progress	5,556.29	4,241.94
Finished Goods	5,380.86	4,303.82
Traded Goods	-	91.37
Stores and Spare parts	143.99	295.83
Chemicals and Consumables	200.76	249.42
Packing Materials	347.25	336.72
	15,288.53	14,169.47
11 Current Investments		
Fair valued through profit and loss		
Investment in Mutual Funds	1,502.08	-
	1,502.08	-
12 Trade receivables		
Trade Receivables considered good - Secured	-	207.80
Trade Receivables considered good - Unsecured	13,569.81	6,589.14
Trade Receivables which have significant risk increase in credit risk	-	-
Trade Receivables credit impaired	6,722.06	6,956.77
	20,291.87	13,753.71
Less: Allowance for expected credit loss	(6,722.06)	(6,956.77)
	13,569.81	6,796.94
13 Cash and cash equivalents		
Cash on hand	4.36	1.56
Balances with banks		
In current accounts	395.03	8,987.59
In fixed deposits (having original maturity of less than 3 months)	1,170.00	-
	1,569.39	8,989.15



Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

	As at March 31, 2021	As at March 31, 2020
14 Other Bank Balances		
In Fixed Deposits with banks (maturing within 12 months from the reporting date)	80.00	1.22
In earmarked accounts		
Escrow Accounts	341.78	8,413.66
	421.78	8,414.88
15 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)
	-	-
16 Other current financial assets		
(Unsecured, considered good)		
Interest accrued	7.07	0.88
Rent Advances	-	10.87
	7.07	11.75
17 Current tax assets		
Advance income tax (net of provision for tax)	5,445.99	5,938.27
	5,445.99	5,938.27
18 Non current assets held for sale		
IKKT Undertaking	9,864.82	-
Leasehold land at Vishakhapatnam	891.40	-
Other buildings	1,328.97	-
(Also refer note 51)	12,085.19	-
19 Other current assets		
(Unsecured, considered good)		
Advance recoverable in cash or in kind		
Advance to suppliers	598.63	3,270.93
Prepaid expenses	256.62	1,257.42
MEIS license scripts entitlement	698.58	898.60
Balances with Statutory Authorities	3,517.97	7,179.05
Other deposits	12.92	2.42
Employees Advances	11.15	3.56
	5,095.87	12,611.98

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

	As at March 31, 2021	As at March 31, 2020
20 Capital		
Authorised Share Capital		
15,00,00,000 (Previous year : 15,00,00,000) Equity shares of Rs. 10 each	15,000.00	15,000.00
	15,000.00	15,000.00
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 as at the beginning of the year	4,08,16,400	8,89,64,327
Add: Issued during the year	-	4,04,08,236
Less : Capital Reduction as per Resolution Plan	-	(8,85,56,163)
Balance at the end of the year	4,08,16,400	4,08,16,400

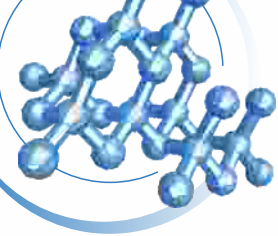
(b) Shareholders holding more than 5% of the total share capital

Name of the share holders	March 31, 2021		March 31, 2020	
	No of shares	%	No of shares	%
Dhanuka Laboratories Limited *	4,00,00,072	98.00	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 10% within 18 months and 25% within three years from the date of implementation of the approved resolution plan. The Group is taking the necessary steps to achieve the required threshold limits.

(c) Rights, preferences and restrictions in respect of equity shares issued by the Company

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 proposed a dividend of Rs. Nil per equity share held (Previous year Rs. Nil per equity share held)



Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

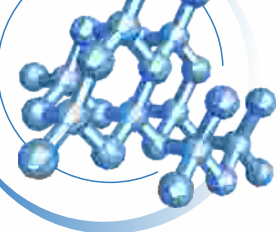
	As at March 31, 2021	As at March 31, 2020
21 Other Equity		
Capital Reserve	5,105.69	5,105.69
Capital Reserve on Amalgamation	1,63,125.58	1,63,125.58
Securities Premium Reserve	46,447.86	46,447.86
Equity component of Optionally convertible debentures	6,856.06	6,856.06
General Reserve	55,851.90	55,851.90
Foreign Currency Monetary Item Translation Difference Account	-	-
Foreign Currency Fluctuation Reserve	(13,154.91)	(13,433.74)
Other Comprehensive Income	(5.60)	(12.22)
Profit and Loss Account	(2,03,017.44)	(1,91,424.29)
	61,209.14	72,516.84
a) Capital reserve		
Balance at the beginning of the year	5,105.69	894.68
Additions/ (adjustments) during the year	-	30,048.26
Effect of revision in provisional accounting for business combination as per Ind AS 109		(25,837.25)
Balance at the beginning and end of the year	5,105.69	5,105.69
b) Capital Reserve on Amalgamation		
Balance at the beginning of the year	1,63,125.58	9,004.21
Additions during the year on implementation of Resolution Plan	-	2,44,321.24
Appropriations on implementation of Resolution Plan	-	(90,199.87)
Balance at the beginning and end of the year	1,63,125.58	1,63,125.58
c) Securities Premium Reserve		
Balance at the beginning and end of the year	46,447.86	46,447.86
d) General Reserve		
Balance at the beginning and end of the year	55,851.90	55,851.90
e) Foreign Currency Monetary Item Translation Difference Account		
Balance at the beginning of the year	-	(1,238.14)
Additions during the year	-	1,238.14
Balance at the end of the year	-	-
f) Foreign Currency Fluctuation Reserve		
Balance at the beginning of the year	(13,433.74)	(3,277.80)
Additions/ (deductions) during the year	278.83	(10,155.94)
Balance at the end of the year	(13,154.91)	(13,433.74)
g) Other Comprehensive Income		
Balance at the beginning of the year	(12.22)	1.17
Additions during the year	66.47	(202.23)
Deductions/Adjustments during the year	(59.85)	188.84
Balance at the end of the year	(5.60)	(12.22)

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

	As at March 31, 2021	As at March 31, 2020
h) Profit and Loss Account		
Balance at the beginning of the year	(1,91,424.29)	(1,86,984.06)
Consolidation adjustment for intangibles		
Net profit for the period	(11,653.00)	(13,107.01)
Transfer from Other Comprehensive Income	59.85	(188.84)
Reduction of Share Capital	-	8,855.62
Balance at the end of the year	(2,03,017.44)	(1,91,424.29)
22 Long Term Borrowings		
Secured		
From Banks		
Rupee Term Loans	36,400.00	49,192.24
Unsecured		
Optionally Convertible Debentures	8,589.74	7,447.07
	44,989.74	56,639.31
Less: Current maturities of Long Term Debt (refer note 28)	(2,240.00)	(6,242.24)
(Also refer note 44 for terms and conditions of the borrowings)	42,749.74	50,397.07
23 Provisions (Non-current)		
Provision for Employee Benefits		
Compensated absences	272.61	412.92
Gratuity	881.28	765.62
	1,153.89	1,178.54
24 Deferred Tax Asset / (Liability) - Net		
Deferred Tax Liability		
On Property, plant and equipment	14,933.97	19,749.52
On Others	322.62	322.62
	15,256.59	20,072.14
Deferred Tax Asset		
On unabsorbed tax depreciation	14,933.97	19,749.52
	14,933.97	19,749.52
Net deferred tax asset / (liability)	(322.62)	(322.62)
25 Current liabilities - Borrowings		
Secured		
Working Capital Facilities / Borrowings	284.26	-
	284.26	-



Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

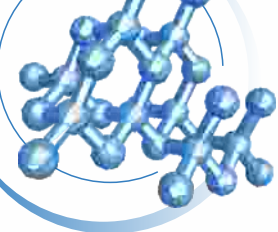
	As at March 31, 2021	As at March 31, 2020
26 Trade payables		
Dues to Micro enterprises and Small enterprises	785.90	69.20
Dues to Creditors other than Micro and Small enterprises	10,209.34	10,089.66
	10,995.24	10,158.86
27 Provisions (Current)		
Provision for employee benefits		
Gratuity	232.48	248.36
Leave encashment	119.96	76.55
	352.44	324.91
28 Other current liabilities		
Current maturities of Term Loans	2,240.00	6,242.24
Statutory Liabilities	79.61	621.14
Fractional Share amount payable to shareholders	252.64	-
Employee payables	0.25	-
Advance and deposits from customers etc.,	3.74	146.67
	2,576.24	7,010.05
29 Revenue from operations		
Sale of Products		
Manufactured goods	43,818.25	46,431.52
Traded goods	-	96.39
Other Operating Revenues		
Sale of Other Materials	1,141.34	1,783.17
Others	46.45	69.07
	45,006.04	48,380.15
30 Other income		
Interest income	73.26	2,417.51
Profit on sale of assets	1.41	8.82
Foreign exchange gain (net)	349.11	59.55
Income from fair valuation of Investments	90.10	-
Profit on sale of Investments	104.08	-
Provisions non longer required written back	856.55	-
Other non-operating income	48.06	(58.16)
	1,522.57	2,427.72
31 Cost of materials consumed		
Opening inventory of raw materials	2,970.88	2,108.45
Add : Purchases	25,248.15	22,983.62
Less : Closing inventory of raw materials	(3,659.38)	(2,970.88)
	24,559.65	22,121.19

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

	As at March 31, 2021	As at March 31, 2020
32 Purchases of Stock in Trade		
Purchases of Stock in Trade	-	46.96
	-	46.96
33 Changes in inventories of work-in-progress, stock in trade and finished goods		
Opening Balance		
Intermediates & Work-in-progress	4,241.94	5,024.60
Traded Goods	91.37	158.92
Finished Goods	4,308.83	1,626.06
	8,642.14	6,809.58
Closing Balance		
Intermediates & Work-in-progress	5,217.56	4,241.94
Traded Goods	-	91.37
Finished Goods	5,133.96	4,308.83
	10,351.52	8,642.14
Total changes in inventories	1,709.38	1,832.56
34 Employee benefits expense		
Salaries and wages	5,639.16	6,279.80
Contribution to provident and other funds	501.69	549.08
Staff welfare expenses	569.94	657.61
	6,710.79	7,486.49
35 Depreciation and amortisation expense		
Depreciation on Property, Plant and Equipment	10,888.46	11,790.04
Amortisation of Intangible Assets	3.18	2.74
Amortisation of Intangible Assets under Development	-	-
	10,891.64	11,792.78
36 Finance Cost		
Interest on Bank Borrowings	3,902.98	11.46
Interest on Others	1,230.58	404.39
	5,133.56	415.85



Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

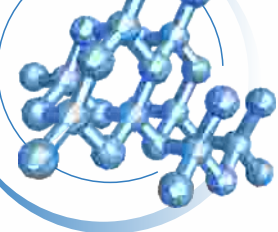
	As at March 31, 2021	As at March 31, 2020
37 Other expenses		
Power and Fuel	3,931.09	4,743.76
Conversion Charges	-	1.16
Consumption of Stores, Spares & Chemicals	1,149.12	2,066.37
Rent	49.36	20.79
Repairs to buildings	75.98	179.25
Repairs to Machinery	65.59	206.53
Factory maintenance	1,135.48	1,671.12
Insurance	506.03	897.21
Rates & Taxes	228.83	799.26
Postage, Telephone & Telex	27.59	30.82
Printing & Stationery	42.30	48.96
Vehicle Maintenance	2.42	7.52
Research & Development Expenses	480.97	1,192.85
Advertisement	2.40	1.58
Recruitment expenses	3.42	5.58
Payment to Auditors [refer note 37 (a)]	34.54	35.50
Cost Audit fee	2.00	2.75
Travelling and Conveyance	9.77	37.44
Directors' Remuneration & perquisites	102.88	11.20
Directors' sitting fees	6.50	-
Freight outward	924.77	470.77
Commission on Sales	404.53	285.36
Business Promotion and Selling Expenses	13.80	56.68
Lease Rentals	101.25	1,126.92
Consultancy & Professional Fees	719.41	1,350.73
Write off of investments	-	
Allowance for expected credit loss	132.80	266.49
Foreign exchange loss (net)	-	1,763.55
Bank charges	87.08	207.11
Miscellaneous expenses	227.33	259.08
	10,467.24	17,746.34

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
37(a) Payment to Auditors		
For Statutory audit	18.00	18.00
For limited review and certification services	12.00	12.00
For tax audit	2.50	5.50
For certification services	2.04	-
	34.54	35.50
38 Income tax expense		
(a) Income tax expense		
Current tax		
Current tax on profits for the year	-	-
MAT Paid	-	-
Total current tax expense	-	-
Deferred tax		
Deferred tax adjustments	-	-
Total Deferred tax expense/(benefit)	-	-
Income tax expense	-	-
b) The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit/(loss) before tax from Continuing operations	(11,653.00)	(13,107.01)
Income tax expense calculated	-	-
Tax Rate Changes Nil (Previous year Nil)	-	-
Effect of expenses that are not deductible in determining taxable profit	-	-
Income tax expense	-	-
c) Income tax recognised in other comprehensive income		
Deferred tax		
Remeasurement of defined benefit obligation	-	-
Total income tax recognised in other comprehensive income	-	-



Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

d) Movement of deferred tax expense 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)

e) Movement of deferred tax expense during the year ended March 31, 2020

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	(24,031.60)	4,282.08	-	(19,749.52)
Unabsorbed tax depreciation*	24,031.60	(4,282.08)	-	19,749.52
Other temporary differences	(322.62)	-	-	(322.62)
	(322.62)	-	-	(322.62)

*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.

	For the year ended March 31, 2021	For the year ended March 31, 2020
39 Earnings per share		
Profit for the year attributable to owners of the Company	(11,653.00)	(13,107.01)
Weighted average number of ordinary shares outstanding	4,08,16,400	8,88,32,775
Basic earnings per share (Rs)	(28.55)	(14.75)
Diluted earnings per share (Rs)	(28.55)	(14.75)

40 Expenditure on Research and Development

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue expenditure relating to Research and Development charged to the Statement of Profit or Loss (excluding depreciation) includes:		
Power and fuel	0.89	11.53
Consumption of stores, spares and chemicals	39.09	87.77
Salaries, wages and bonus	369.30	728.04
Contribution to Provident and other funds	32.55	60.79
Insurance	0.49	1.98
Postage, telephone and telex	0.03	0.03
Printing and stationery	0.82	1.57
Vehicle maintenance	0.49	1.75
Recruitment expenses	-	0.27
Filing and registration expenses	1.22	5.83
Consultancy and professional fees	20.12	261.29
Others	15.97	32.00
Total	480.97	1,192.85

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

41 Commitments and contingent liabilities

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contingent Liability		
Claims against the company not acknowledged as debts		
- Income Tax dispute pending before High Court of Chennai*	-	
- Other claims **		
Unexpired Letter of Credit	4,511.57	-
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	19.35	96.97

- * 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 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 disputed the portion of the lease rent, considered to be excessive than the market rate, amounting to Rs.1,025.67 Lakhs for the year ended March 31, 2021 in respect of the aforesaid lease. Based on legal opinion obtained, the management is of the opinion that no liability will arise on completion of the negotiation.

42 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

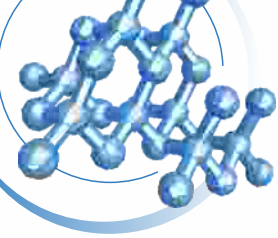
(a) Revenue from external customers

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
India	5,380.64	4,213.95
Rest of the world	38,437.61	42,313.96
	43,818.25	46,527.91

(b) Non current assets

The manufacturing facilities of the Company is situated in India and no non-current assets are held outside India

(c) There are no customers with whom the company have more than 10% of total revenue in the current year as well as the previous year



Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

43 Operating lease arrangements

The company has availed the practical expedient provided in Ind AS 116, "Leases" in respect of short term operating leases and accordingly, charged the lease rent paid in the statement of profit and loss as expenditure as detailed below.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
As Lessee		
Lease payments recognised in the Statement of Profit and Loss	101.25	1,126.92

44 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. the quarter commencing on April 01, 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) Pledge of 50% of fully paid up equity shares of the Group 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 Group 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 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 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 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 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

45 Financial Instruments

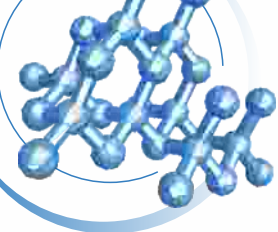
Capital management

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.

Gearing Ratio:	March 31, 2021	March 31, 2020
Debt	44,989.74	56,639.31
Less: Cash and bank balances	1,991.17	17,404.03
Net debt	42,998.57	39,235.28
Total equity	65,290.78	76,598.48
Gearing ratio (%)	65.86%	51.22%
Categories of Financial Instruments	March 31, 2021	March 31, 2020
Financial assets		
a. Measured at amortised cost		
Other non-current financial assets	399.72	140.76
Trade receivables	13,569.81	6,796.94
Cash and cash equivalents	1,569.39	8,989.15
Bank balances other than above	421.78	8,414.88
Other financial assets	399.72	140.76
b. Mandatorily measured at FVTOCI		
Investments	40.44	33.82
b. Mandatorily measured at FVTOCI		
Investments	1,502.08	-



Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

Categories of Financial Instruments	March 31, 2021	March 31, 2020
Financial liabilities		
a. Measured at amortised cost		
Borrowings (non-current, excluding current maturities)	42,749.74	50,397.07
Borrowings (current)	284.26	-
Trade payables	10,995.24	10,158.86
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, 2021

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	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

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

As on March 31, 2020

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	3.18	-	3.18	130.54	-	130.54	127.36
EUR	1.90	-	1.90	0.98	-	0.98	(0.92)
GBP	0.31	-	0.31	-	-	-	(0.31)
Others	2.15	-	2.15	-	-	-	(2.15)
In INR	436.17	-	436.17	9,823.55	-	9,823.55	9,387.38

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.

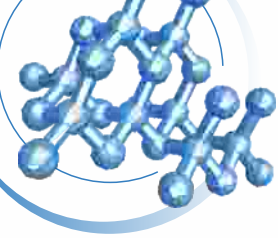
Interest rate sensitivity analysis

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, 2021 would decrease/ increase by Rs. 91.00 lakhs (March 31, 2020 : Rs.106.75 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.



Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

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.

Credit Risk on Derivative Instruments is generally low as the Group 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 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

Liquidity 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.

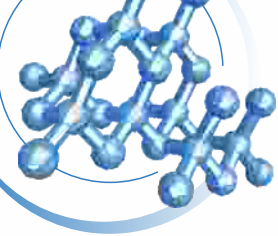
Liquidity tables

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

March 31, 2021	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	2,524.26	8,960.00	33,789.74	45,274.00
	13,519.50	8,960.00	33,789.74	56,269.24
March 31, 2020	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	10,158.86	-	-	10,158.86
Borrowings	6,242.24	34,160.00	16,237.07	56,639.31
	16,401.10	34,160.00	16,237.07	66,798.17
		March 31, 2021	March 31, 2020	
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):		Nil	Nil	
46	Related party disclosure			
a)	List of parties controlling the Company and controlled by the Company			
	Holding company	Dhanuka Laboratories Limited		
b)	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		



Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

c) Transactions with related parties are as follows

Transactions/ Balances	Holding Company		Enterprises in which Key Management Personnel and their Relatives have significant influence		Key Management Personnel and their Relatives	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Short Term Borrowings / Advances received	-	12.04	-	-		
Remuneration & Short term benefits*					109.70	57.20
Equity Share Capital allotted	-	4,000.00	-	-		
Debentures issued	-	14,300.00	-	-		

*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		Enterprises in which Key Management Personnel and their Relatives have significant influence		Key Management Personnel and their Relatives	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Short term borrowings		12.04				
Equity Share Capital	-	4,000.00	-	-	-	-
0% Optionally Convertible Debentures (including the equity component disclosed under "Other Equity")	-	14,300.00	-	-	-	-

e) Material related party transactions are follows

Nature of transactions	Year ended March 31, 2021	Year ended March 31, 2020
Remuneration & Short term benefits		
a) Manish Dhanuka	50.66	
b) Mridul Dhanuka	52.22	
c) K. Nikita	6.82	0.46
Short Term Borrowings		
a) Dhanuka Laboratories Limited	-	12.04
Equity Share Capital		
a) Dhanuka Laboratories Limited	-	4,000.00
0% Optionally Convertible Debentures		
a) Dhanuka Laboratories Limited	-	14,300.00

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

f) Material related party balances are follows

Name of the related party	As at March 31, 2021	As at March 31, 2020
Short term borrowings		
Dhanuka Laboratories Limited	-	12.04
Equity Share Capital		
Dhanuka Laboratories Limited	4,000.00	4,000.00
0% Optionally Convertible Debentures		
(including the equity component disclosed under "Other Equity")		
Dhanuka Laboratories Limited	14,300.00	14,300.00

47 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 331.51 Lakhs (for the year ended March 31, 2020: Rs. 603.62 Lakhs) represents contribution paid to these plans by the Company at rates specified in the rules of the plan.

Defined benefit plans

(a) Gratuity

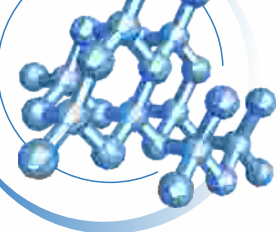
Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides 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, 2021	March 31, 2020
Discount Rate	6.68%	6.57%
Rate of increase in compensation level	7.00%	7.00%
Expected return on plan assets	6.68%	6.57%
Mortality	Indian Assured Lives Mortality (2012-14) (Ultimate)	Indian Assured Lives Mortality (2012-14) (Ultimate)



Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

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, 2021	March 31, 2020
Amount recognised under Employee Benefits Expense in the Statement of profit and Loss:		
Current service cost	93.40	116.41
Net interest expense	99.88	87.01
Return on plan assets (excluding amounts included in net interest expense)	(32.15)	(43.41)
Components of defined benefit costs recognised in profit or loss	161.13	160.01
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	(61.35)	190.42
Components of defined benefit costs recognised in other comprehensive income	(61.35)	190.42
Components of defined benefit costs recognised in other comprehensive income	99.78	350.43
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, 2021	March 31, 2020
Present value of defined benefit obligation	1,521.80	1,616.08
Fair value of plan assets	(408.04)	(602.10)
Net liability/ (asset) arising from defined benefit obligation	1,113.76	1,013.98
Funded	1,113.76	1,013.98
Unfunded	-	-
	1,113.76	1,013.98
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].		
Movements in the present value of the defined benefit obligation in the current year were as follows:		
	March 31, 2021	March 31, 2020
Opening defined benefit obligation	1,616.08	1,419.72
Current service cost	93.40	116.41
Interest cost	99.88	87.01
Actuarial (gains)/losses	(46.02)	183.82
Benefits paid	(241.54)	(190.88)
Closing defined benefit obligation	1,521.80	1,616.08

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

	March 31, 2021	March 31, 2020
Movements in the fair value of the plan assets in the current year were as follows:		
Opening fair value of plan assets	602.10	756.17
Return on plan assets	32.15	43.41
Contributions	-	-
Benefits paid	(241.54)	(190.88)
Actuarial gains/(loss)	15.33	(6.60)
Closing fair value of plan assets	408.04	602.10
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.

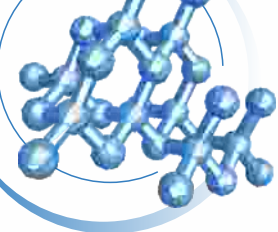
(b) Compensated absences

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].



Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

48 Enterprises consolidated as Subsidiary in accordance with 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	USA	100.00%	
Orgenus Pharma Inc., USA (Subsidiary of Orchid Pharmaceuticals Inc USA.)	USA	USA	100.00%	
Orchid Pharma Inc / Karalex Pharma USA, (Subsidiary of Orchid Pharmaceuticals Inc, USA)	USA	USA	100.00%	
Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa	South Africa	South Africa	100.00%	
Bexel Pharmaceuticals Inc., USA	USA	USA	100.00%	
Diakron Pharmaceuticals Inc., USA	USA	USA	76.65%	76.65%

49 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%	55.14	-0.08%	7.48	-	-	-0.08%	7.48
Orchid Pharmaceuticals Inc., USA and subsidiaries	-5.28%	-3,450.24	4.05%	-385.96	-	-	4.08%	-385.96
Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa	-	-	-	-	-	-	-	-
Bexel Pharmaceuticals Inc., USA	-0.20%	-130.92	-	-	-	-	-	-
Diakron Pharmaceuticals Inc., USA	-4.33%	-2,824.54	2.12%	-201.84	-	-	2.13%	-201.84

50 Business Combination

Summary of acquisition

The Hon'ble NCLT passed the order approving the resolution plan submitted by the successful resolution applicant, "Dhanuka Laboratories Limited" ("DLL") on June 27, 2019 and the same was upheld by Hon'ble Supreme Court of India vide its order dated February 28, 2020. Pursuant to the above order, DLL has infused the prescribed funds into the Company and implemented the resolution plan through the Monitoring Committee constituted with the nominations of the DLL, RP and two financial creditors of the Company on the effective date i.e. on March 31, 2020.

As per the approved Resolution Plan, DLL through its 100% subsidiary (a special purpose vehicle), Dhanuka Pharmaceuticals Private Limited ("DPPL") took over the liabilities of the Company against the consideration of 3,65,000 Non-Convertible Debentures of Rs.1,00,000 each. The special purpose vehicle was then amalgamated with the Company as per the approved resolution plan.

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

Provisional accounting of carrying amount of assets and liabilities done during the year ended March 31, 2020

The adjustments to the carrying amount have been made on a provision basis due to Covid'19 related restrictions in getting complete valuation for various assets and liabilities, including impairment on the carrying value of property, plant and equipment, capital work in progress, intangibles and intangibles under development.

Accordingly, the above business combination was accounted as per the following details:

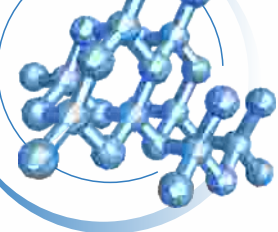
a) Liabilities assumed by Dhanuka Pharmaceuticals Private Limited

Particulars	Amount
Financial Creditors	
Rupee Term Loans	2,14,736.57
Foreign Currency Term Loans	58,169.03
Working Capital Facilities / Borrowings	74,187.96
Loans from Banks	10,565.13
Loans from Others	4,368.50
Loans from related parties	3,216.77
	3,65,243.96
Operating creditors	
Provision for Employee Benefits (Non-Current)	1,178.53
Trade Payables	26,781.01
Provision for Employee Benefits (Current)	324.91
Other current liabilities	1,519.85
	29,804.30
Net Liabilities to be transferred	3,95,048.26
Capital Reserve	
Net Liabilities to be transferred	3,95,048.26
Value of Non Convertible Debentures issued against the above	3,65,000.00
Capital Reserve (Balancing Figure)	30,048.26

DPPL has then merged with the Company as per the resolution plan as per pooling of interest method prescribed for common control transactions as per Ind AS 103 "Business Combinations" and the difference is recognised as Capital Reserve.

Expenses in respect of the above amalgamation is incurred by DLL, hence, no such expenses were debited to the statement of profit and loss of the Company. As part of the resolution plan, DLL has infused Rs. 61,000 lakhs towards equity share capital (Rs.4,000 lakhs) and towards payment/ settlement of CIRP costs, employees/ workmen dues, Financial and Operational creditors dues (Rs.42,700 lakhs). DLL has also invested in 14,300 Zero Percent Optionally Convertible Debentures (OCD) of Rs. 1,00,000 each fully paid. The proceeds of the above issue has been utilised towards further amounts required for repayment to financial/ operational creditors and other dues as per the resolution plan.

Expenses in respect of the above amalgamation is incurred by DLL, hence, no such expenses were debited to the statement of profit and loss of the Company.



Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

50 Business Combination

As part of the resolution plan, DLL has infused Rs. 61,000 lakhs as follows:

	INR Lakhs
(a) Investment in equity share capital	4,000
(b) Funds infused for towards payment/ settlement of CIRP costs, employees/ workmen dues, Financial and Operational creditors dues	42,700
(c) Investment in 14,300 Zero Percent Optionally Convertible Debentures (OCD) of Rs. 1,00,000 each fully paid.	14,300
Total	61,000

The proceeds of the above issue has been utilised towards further amounts required for repayment to financial/ operational creditors and other dues as per the resolution plan.

Capital reduction as envisaged in the resolution plan amounting to Rs.8,855.62 Lakhs has been made and adjusted against the retained earnings. Further issue of Rs.4,040.82 Lakhs have been made to the successful resolution applicant, DLL (Rs.4000.01 Lakhs) and to the Financial Creditors (Rs.40.81 Lakhs) as per the terms of the approved Resolution Plan.

Details of assets and liabilities taken over and resulting capital reserve on the above business combination (on provisional basis) is given below:

a) Assets taken over and liabilities assumed (provisional basis)

Particulars	Amount
Assets taken over from DLL	
Bank Balance	1.57
Debit balance in profit and loss account	11.46
Non-Convertible Debentures	3,65,000.00
Liabilities assumed	
Long Term Borrowings (Financial Creditors)	(1,10,693.38)
Provision for Employee Benefits (Non-Current)	(1,178.54)
Trade Payables	(6,463.08)
Provision for Employee Benefits (Current)	(324.91)
Other current liabilities	(2,031.88)
Net identified assets taken over	2,44,321.24

b) Capital Reserve on business combination (provisional basis)

Particulars	Amount
Consideration paid to the existing share holders	-
Less: Net identifiable assets (taken over)	2,44,321.24
Capital Reserve on business combination	2,44,321.24

c) Adjustments made as per the Resolution Plan in Capital Reserve (provisional basis)

Particulars	Amount
Write off of	
Capital work in progress / Intangible Assets under development	(19,049.57)
Unamortised finance cost as per Ind AS	(567.59)
Deposits, advances and receivables not recoverable	(71,131.39)
Write back of liabilities no longer required	548.68
Total adjusted against capital reserve on Business Combination	(90,199.87)

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

Revision to Provisional accounting of business combinations during the year ended March 31, 2021

The Company has obtained a detailed valuation report on lifting of the general lockdown through external experts and also carried out a detailed internal assessment regarding the fair value of various assets taken over and liabilities assumed as part of the business combination.

The consequential adjustments have been made in March 2021 (i.e., within 1 year from the date of acquisition, called as "Measurement Period") as provided in Ind AS 103 for provisional accounting for business combinations.

50 Business Combination

During the measurement period, the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. Accordingly, the following adjustments have been made in the fair value of assets taken over and liabilities assumed as on the acquisition date with the additional information available with the Company through external and internal assessment.

Further adjustments made to Capital Reserve as per Para 45 to 49 of Ind AS 109 during the measurement period

Particulars	Amount	Amount
Capital Reserve as per provision accounting for business combinations as at March 31, 2020		30,942.94
Less : Further adjustments made during the measurement period		
Revision in fair value of property, plant and equipment	17,708.87	
Revision in fair value of Capital work in progress	6,290.93	
Revision in fair value of Intangible assets	386.12	
Liabilities no longer required written back	(587.80)	
Pre CIRP additional payment Financial Creditors as per RP approval	250.00	
Pre CIRP Bank balances written off as per RP approval	187.97	
Pre CIRP CESTAT and VAT Deposit written off as per RP approval	195.73	
Employee advances written off	3.95	
Revision in fair value of Stores and Spares	1,295.91	
Revision in fair value of Inventories	105.55	
Others	0.02	
		25,837.25
Capital Reserve on Business Combination		5,105.69

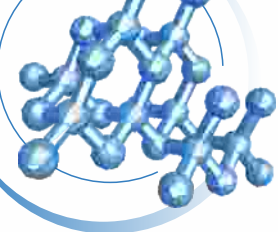
During the measurement period, the Company recognised adjustments to the provisional amounts as if the accounting for the business combination had been completed at the acquisition date. Thus, the Company has revised the comparative information for prior periods presented in financial statements as needed.

Significant estimate - Contingent Consideration

There was no contingent consideration identified in the above amalgamation. Hence, no disclosures were required.

Significant Judgement - Contingent Liability

There was no contingent liability identified in the above amalgamation. Hence, no disclosures were required.



Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

51 Discontinuing operations

The board of directors in their meeting held on November 11, 2020 approved the sale/ transfer/ dispose of its manufacturing division at Irungattukottai (IKKT) on a going concern basis. Pursuant to this, the Company has signed the binding term sheet on May 5, 2021 with the buyer for the sale of IKKT division at a consideration upto to an amount of INR 170 Crores.

Operating results of the Company's discontinuing operations (IKKT division) are summarised as follows for the year March 31, 2021.

(i) The carrying value of the total assets and liabilities of discontinued operations

	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, 2021	For the year ended March 31, 2020
Revenue		
Revenue from operations (Net)	2,133.27	2,423.89
Other Income	(33.24)	21.10
Total revenue (a)	2,100.03	2,444.99
Expenses		
Cost of materials consumed	938.63	1,402.18
Purchases of Stock in Trade	-	-
Changes in inventories of work-in-progress, stock in trade and finished goods	(485.09)	2,590.46
Employee benefits expense	751.68	988.27
Depreciation and amortization expense	756.54	799.33
Other expenses	2,266.38	2,802.58

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

₹ in Lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
Total expenses (b)	4,228.14	8,582.82
Loss) before exceptional item and tax (a-b) = (c)	(2,128.11)	(6,137.83)
Less : Exceptional item	-	-
Loss before tax	(2,128.11)	(6,137.83)
Tax expenses	-	-
Loss from discontinuing operations	(2,128.11)	(6,137.83)

As required by Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations", 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.

- 52** Due to the restrictions imposed due to Covid'19, the Company could not complete comprehensive physical verification of fixed assets/ related reconciliation with the books of account. Pending completion of the aforesaid comprehensive reconciliation, the possible impact, if any, is not presently determinable. Accordingly, no adjustment has been made in the financial statements.
- 53** During the year, the Company recognised adjustments to the provisional amounts considered in the business combination accounting in last year, as if the accounting for the business combination had been completed at the acquisition date. Thus, the Company has revised the comparative information for prior period presented in financial statements as needed. Accordingly, the current year figures may not be fully comparable with that of the previous year.

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

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

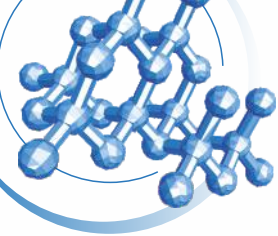
Chinnsamy Ganesan
Partner
Membership No.027501
UDIN: 21027501AAAACN5744
Place: Chennai
Date: May 22, 2021

Manish Dhanuka
Managing Director
DIN: 00238798
Place: Gurgaon
Date: May 22, 2021

Mridul Dhanuka
Whole Time Director
DIN: 00199441
Place: Gurgaon
Date: May 22, 2021

Sunil Gupta
Chief Financial Officer
Place : Gurgaon
Date: May 22, 2021

Nikita K
Company Secretary
Place: Chennai
Date: May 22, 2021



ORCHID PHARMA LIMITED

CIN: L24222TN1992PLC022994

Regd. Office: 'Orchid Towers', # 313, Valluvarkottam High Road, Nungambakkam, Chennai - 600 034,
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E-mail: corporate@orchidpharma.com | Website: www.orchidpharma.com

NOTICE OF THE 28th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 28th Annual General Meeting of the Members of **Orchid Pharma Limited** will be held on Friday, **August 13, 2021 at 12:15 P.M.** Indian Standard Time (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:-

ORDINARY BUSINESS:

1. To consider and adopt:

- The Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021;
- The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021;
- 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, 2021 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 Mr. Arun Kumar Dhanuka (DIN: 00627425) 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 of Companies Act, 2013, Mr. Arun Kumar Dhanuka (DIN: 00627425), who retires by rotation at this meeting and being eligible has offered himself for re- appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

SPECIAL BUSINESS

3. Ratification of Remuneration to the Cost Auditor for the Financial year 2021-22

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 (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-imbursalment 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 2021- 2022, be and is hereby ratified and confirmed."

4. To approve the Borrowing Powers of the Company under Section 180(1)(c) of the Companies Act, 2013

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

"RESOLVED THAT in supersession of earlier resolution passed by the members through Postal Ballot on August 26, 2014 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Rules made thereunder, the consent of the Shareholders of the Company be and is hereby accorded to the Board of Directors of the Company ("Board") (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) for borrowing from time to time, as it may think fit, any sum or sums of money in any currency on such terms and conditions as the Board may deem fit and as may be permitted by law from time to time by way of loans, issuance of bonds, debentures or other securities whether convertible into equity/ preference shares or not, or by any other means as deemed fit by the Board and as may be permitted by law from time to time from banks, financial or other institution(s), investors, mutual fund(s), or any other persons for an amount not exceeding Rs. 2,550 Crores (Rupees Two Thousand Five Hundred and Fifty Crores), notwithstanding that the monies to be borrowed, together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate for the time being, of the paid up capital of the Company, free reserves and Securities Premium Account.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized to finalize the terms and conditions for all such borrowings with respect to the interest, repayment, security or otherwise as it may deem fit in its absolute discretion and to do and perform all such acts, deeds and things as may be required to give effect to the above resolution, from time to time."

5. Approval for creation of Charges/Mortgage properties of the Company under Section 180(1) (a) of the Companies Act, 2013.

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

"RESOLVED THAT in supersession of all earlier resolutions passed in this regard and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Members of the Company be and is hereby accorded to the Board of Directors (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) for creating the mortgage/pledge/hypothecation/lien/charge whether fixed or floating (in addition to any other hypothecation, pledge, lien, mortgage, charges created/to be created by the Company) in such form and manner and with such ranking as to priority and at such time and on such terms as the Board may determine, on all or any of the movable and/or immovable properties, tangible and/or intangible properties of the Company, both present and future and/or the whole or any part of the undertaking(s) or any properties of the Company where so ever situated, in favour of the banks, financial institutions, investors, debenture holders or any other lenders and their agents or trustees (together, the "Lenders") to secure any borrowings, financial assistance or financial indebtedness availed/to be availed by the Company by way of loan(s) (in foreign currency and/ or rupee currency) and securities (comprising fully/partially convertible debentures and/or non-convertible debentures with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rates notes/bonds and other debt instruments), issued/ to be issued by the Company, from time to time for an amount not exceeding Rs. 2,550 crores (Rupees Two Thousand Five Hundred and Fifty Crores Only) together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, remuneration of the agent(s), trustee(s), prepayment premium, all other costs, charges and expenses and all other monies payable by the Company) (together, the "Financial Indebtedness") in terms of loan agreement(s), heads of agreement(s), debenture trust deed or any other document

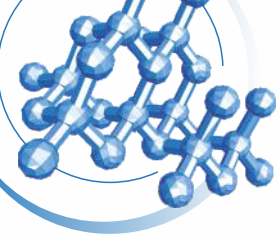
entered into/to be entered into between the Company and the lender(s)/agent(s)/trustees, in respect of the said loans/borrowings/debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the lender(s)/agent(s)/trustee(s).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and the Committee thereof be and is hereby authorized to finalise, settle and execute such documents/deeds/writings /papers/agreements as may be required and to do all acts, deeds and things, as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard to create mortgage /charge as aforesaid and also to delegate all or any of the powers to the Committee of Directors or the Managing Director or the Principal officer of the Company and generally to do all such acts, deeds and things as may be deemed necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

6. Approval to make Investments, give loans, guarantees and provide securities under Section 186 of the Companies Act, 2013

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

"RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time and other applicable provisions, if any, of the Companies Act, 2013 (including any Statutory modification (s) or re-enactment thereof for the time being in force), in terms of Articles of Association of the Company and subject to such approvals, consents, sanctions and permissions as may be necessary, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) to (a) give any loan to any person(s) or other body corporate(s) ; (b) give any guarantee or provide security in connection with a loan to any person(s) or other body corporate(s) and (c) acquire by way of subscription, purchase or otherwise, securities of any other body corporate from time to time in one or more tranches as the Board of Directors (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) of the Company as in their absolute discretion deem beneficial and in the interest of the Company, for upto an aggregate amount not exceeding Rs.100,00,00,000/- (Rupees One Hundred Crores Only), notwithstanding that such investments, loans given or to be given and guarantees and security to be provided together with the Company's existing



investments in all other bodies corporate, loans and guarantees given and securities provided shall be in excess of the limits prescribed under section 186(3) of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized to negotiate the terms and conditions of the above said investments, loans, securities, guarantees as they deem fit and in the best interest of the Company and take all such steps as may be necessary in that regard.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and are hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to the aforesaid Resolution.

7. 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), Provisions of 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 consent 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 enter into Material related party transactions with M/s. Otsuka Chemicals (India) Private Limited being ‘Related Party’ within the meaning of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, based on the expected value of the transactions of Rs. 75,00,00,000/- (Rupees Seventy Five Crores Only) for the financial year 2021-2022 (which is expected to exceed 10% of the Annual Consolidated Turnover as per the last audited financial statements of the Company) 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 (including any authorized Committee thereof), 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) 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”

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

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, if any of the Companies Act, 2013 and relevant Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), in terms of Regulation 23 of Securities and Exchanges Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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, enabling provisions of the Memorandum and Articles of Association of the Company, all other applicable laws and regulations, as amended, supplemented or re-enacted from time to time, pursuant to the Consent of the Audit Committee and the Board of Directors of the Company and subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary, the Members of the Company be and hereby accord their approval for the Business Transfer Agreement (BTA) and consent to the Board of Directors of the Company (which term shall be deemed to include any Committee thereof or Director(s) or Official(s) of the Company for the time being authorized by the Board to exercise the powers conferred on the Board by this Resolution) for Sale/transfer/disposal of the Company’s Operating Formulations unit (IKKT), “Orchid Healthcare”, A division of Orchid Pharma Limited situated at Plot Nos. B5 (Pt) & B6 (Pt), SIPCOT Industrial Park, Irungattukottai, Sriperumbudur Taluk - 602117, Kancheepuram District, Tamil Nadu, India (“Undertaking”) together with all its assets and liabilities including the concerned licenses, permits, consents, approvals and the employees, as a going concern / on a slump

sale basis on an “as is where is basis” or in any other manner as the Board may deem fit in the interest of the Company to M/s. OrBion Pharmaceuticals Private Limited being 'Related Party' within the meaning of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for a lump sum consideration of up to Rs.170 Crores (Rupees One Hundred and Seventy Crores Only) within the meaning of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for a lump sum consideration of up to Rs.170 Crores (Rupees One Hundred and Seventy Crores Only) including equity stake of 26% in M/s. OrBion Pharmaceuticals Private Limited (which is expected to exceed 10% of the Annual Consolidated Turnover as per the last audited financial statements of the company) on such terms and conditions as may be deemed fit by the Board of Directors.”

RESOLVED FURTHER THAT the Board of Directors (which term shall be deemed to include any Committee thereof or Director(s) or Official(s) of the Company for the time being authorized by the Board to exercise the powers conferred on the Board by this Resolution) be and are hereby authorized to execute all such deeds, matters and things as may be deemed necessary or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto and to do and perform or cause to be done all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto, and to settle and finalize all issues that may arise in this regard, without further referring to the Members of the Company, including without limitation, finalizing and executing necessary agreements, deeds of assignment and such other documents as may be necessary or expedient in its own discretion and in the best interest of the Company, including delegation of all or any of the powers herein conferred by this resolution, to any Director(s), or to any Committee of Directors or any other Officer(s) / Authorised Representative(s) of the Company, or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this Resolution.”

9. Approval for material Related party transaction(s) with M/s Dhanuka Laboratories Limited (“Promoter Company”)

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 read with 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 and Exchanges Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company's Policy on “Materiality of Related party transactions and also on dealing with Related party transactions” as amended from time to time and all other

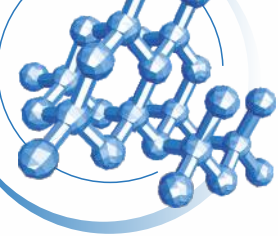
applicable laws and regulations, as amended, supplemented or re-enacted from time to time and subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary and pursuant to the consent of the Audit Committee and the Board of Directors, the approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (“Board”) (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) for borrowing/ availing of loans/advances within the limits approved by the Members pursuant to Section 180(1) (c) of the Companies Act, 2013, in one or more tranches, for an aggregate amount not exceeding Rs.50,00,00,000/- (Rupees Fifty Crores Only) (which is expected to exceed 10% of the Annual Consolidated Turnover as per the last audited financial statements of the Company) from M/s Dhanuka Laboratories Limited (“Promoter”) being 'Related Party' within the meaning of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as more particularly set out in the Explanatory statement annexed to this Notice, on arm's length basis and on such terms and conditions as may be considered appropriate by the Board of Directors of the Company (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors).

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and are hereby authorized to do all necessary acts, deeds, things and matters and execute all such documents, as may be deemed necessary or expedient to give effect to the aforesaid resolution.”

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

Manish Dhanuka
Managing Director
DIN: 00238798

Date: July 15, 2021
Place: Gurgaon



NOTES:

1. In view of the continuing COVID-19 global pandemic, social distancing norms, the Ministry of Corporate Affairs has issued a General Circular bearing No 20/2020 dated May 5, 2020, read with Circular No.14/2020 dated April 8, 2020 and Circular No.17/2020 dated April 13, 2020, Circular No.02/2021 dated January 13, 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 said Circulars and in compliance with the provisions of the Companies Act, 2013 and SEBI circular SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and relevant circular of 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 dated April 15, 2020 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 Special Businesses to be transacted at the 28th Annual General Meeting is annexed hereto.

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. However, the Body Corporate 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- yuvraj@integratedindia.in and Ms. Nikita K (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.

4. The requirement to place the matter relating to the appointment of Statutory Auditors for ratification by Members at every Annual General Meeting has been done away with vide

notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed from the conclusion of the 24th Annual General Meeting held on September 13, 2017. M/s. CNGSN & Associates LLP, Chartered Accountants, continue to be the Statutory Auditors of the Company for the Current Financial Year 2021-2022.

5. The Register of Members and the Share Transfer Books will remain closed from **Friday, August 06, 2021 to Friday, August 13, 2021 (both days inclusive)** for the purpose of Annual General Meeting for the financial year 2020-2021.

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. The Company draws your attention to the notification issued by SEBI dated June 08, 2018 and the press release dated December 3, 2018 amending Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Pursuant to the amended provisions, any request for effecting transfer of shares in physical form shall not be processed except in case of transmission or transposition of shares unless the shares are held in demat form. Hence, the Company / Registrar and Share Transfer Agent would not be in a position to accept / process the requests for transfer of shares held in physical form with effect from 01.04.2019. As such, SEBI had mandated transfer of shares in dematerialised form alone. This measure is aimed at curbing fraud and manipulation risk in physical transfer of securities by unscrupulous entities. Transfer of securities only in demat form will improve ease, facilitate convenience and safety of transactions for investors. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact either the Company or M/s Integrated Registry Management Services Private Limited (IRMSPL) for assistance in this regard.

8. 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 /IRMSPL.

9. Members holding shares in Dematerialized form are requested to intimate any changes pertaining to their Bank details change of address / name etc., to their respective Depository Participant. Kindly quote Client ID and DPID numbers in all your correspondences. Members who hold shares in physical form are requested to notify any change in their particulars like changes in address, bank particulars etc., to the

Company's Registrar and Share Transfer Agents (RTA) viz., M/s Integrated Registry Management Services Private Limited, 2nd Floor, Kences Towers, No. 1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017, Tamil Nadu, India (yuvraj@integratedindia.in). Kindly quote the ledger folio number in all your correspondences.

10. Members are requested to address all correspondence to the Company's Registrar and Share Transfer Agents (RTA) viz., M/s Integrated Registry Management Services Private Limited, 2nd Floor, Kences Towers, No. 1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017, Tamil Nadu, India (yuvraj@integratedindia.in) or to the Company at its Registered Office at Orchid Towers, No.313 Valluvarkottam High Road, Nungambakkam, Chennai-600034, Tamil Nadu, India

11. 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. Members holding shares in demat form may contact their respective Depository Participants (DPs) for availing this facility.

12. 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 28th AGM along with the Annual Report for the financial year 2020-2021 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.

13. In line with the MCA circulars the Notice convening 28th AGM and explanatory statement ('the Notice') and the Annual Report of the Company for the Financial Year 2020-2021 is available on the Company's website on <https://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 (<https://www.bseindia.com>) and National Stock Exchange of India Limited (<https://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.

14. The Company has appointed Central Depository Services (India) Limited ("CDSL") to provide facility for voting through remote e-Voting, for participation in the 28th AGM through VC/OAVM Facility and e-Voting during 28th AGM of the Company.

15. 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.

16. 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.

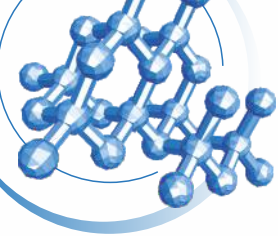
17. The Members are requested to note that the Company has arranged Video Conferencing Facility (VC) for the proceedings of the AGM through Cisco Webex platform. Members may use this facility by using the same login credentials as provided for remote e-Voting. Members on the day of the AGM will login 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.

18. The Board of Directors of the Company at their Meeting held on July 15, 2021 has appointed CS Muthukumar, 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.

19. 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 countersign the same.

20. 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.

21. 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 by Members in electronic mode upto the date of the 28th Annual General Meeting of the Company.

The relevant details as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standards-2 (SS-2) notified by Ministry of Corporate Affairs of the directors seeking re-appointment as Directors, at the forthcoming AGM is appended as Annexure-1 to this notice.

22. Since the AGM will be held through VC/ OAVM, the Route Map of the Venue of the AGM is not annexed to this Notice.

23. Pursuant to Section 124 of the Companies Act, 2013, the amounts, which remain unpaid or unclaimed for a period of seven years, shall be transferred to the Investor Education and Protection Fund established under Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001. As per Section 124 (6) of the Companies Act, 2013 ("Act"), all the 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 shareholder 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.

24. For receiving the Notice and all other communications from the Company electronically

a. 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 Integrated Registry Management Services Private Limited, e-mail id : yuvraj@integratedindia.in with details of folio number and attaching a self-attested copy of PAN card.

b. Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participant (DP).

c. 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.

25. All relevant documents referred to in the Notice and the Explanatory Statement will also be available electronically 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. August 13, 2021. Members seeking to inspect such documents can send an email to the Company at nikitak@orchidpharma.com

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 **August 06, 2021** through email on 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, August 06 , 2021
2.	Book Closure Dates	From Friday, August 06, 2021 to Friday, August 13, 2021 (both days inclusive)
3.	Remote E-Voting Period	From 9:00 A.M (IST) on Monday, August 09 , 2021 till 5:00 P.M. (IST) on Thursday, August 12 , 2021
4.	Date & Time of AGM	Friday, August 13, 2021 at 12:15 P.M. (IST)

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 28th Annual General Meeting to be held on Friday, August 13, 2021 through CDSL. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. 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 <https://www.evotingindia.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, August 13, 2021.

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 9.00 A.M. (IST) on Monday, August 09, 2021 and ends at 05.00 P.M (IST) on Thursday, August 12, 2021. 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. August 06, 2021 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., August 06,2021 only shall be entitled to avail the facility of remote evoting/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, August 06, 2021 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, August 06, 2021.

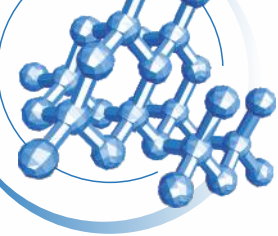
5. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in 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	<p>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</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.</p>
Individual Shareholders holding securities in Demat mode with NSDL	<p>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.nsd.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. A new 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.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.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</p>
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

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:

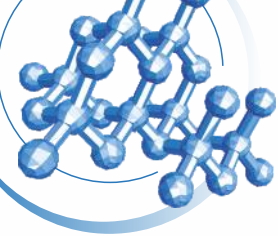
PHYSICAL SHAREHOLDERS AND SHAREHOLDERS OTHER THAN INDIVIDUAL HOLDING SHARES IN DEMAT FORM	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or 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

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned 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
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSLhelpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542-43
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDLhelpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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 / yuvraj@integratedindia.in
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, AWing, 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 July 15, 2021

Item No. 3 – Ratification of remuneration to Cost Auditor

The Audit Committee and the Board of Directors of the Company at their Meetings held on May 22, 2021 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 2021-2022.

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.3 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 2021-2022 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 22, 2021.

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.

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 Resolution set out in Item No. 3 to the shareholders of the Company.

Item No. 4 – To approve the Borrowing Powers Of the Company under Section 180(1)(c) of the Companies Act, 2013

The Company requires to borrow funds from time to time to meet both its short term and long terms business objectives, from various external agencies like banks, financial institutions, bodies corporate, individuals or other kind of lenders.

In terms of the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of a public Limited Company cannot except with the consent of the Members at General Meeting by a Special resolution, borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital, free reserves and securities premium, apart from temporary loans obtained from the company's bankers in the ordinary course of business.

The Members of the Company vide the Special resolution passed through Postal Ballot on August 26, 2014 authorised the Board of

Directors of the Company to borrow monies, from time to time, upto Rs.2,500 Crores (Rupees Two Thousand Five Hundred Crores Only).

The Board of Directors at their meeting held on July 15, 2021 have accorded their consent subject to approval from the Members of the Company by way of passing Special Resolution at the ensuing General Meeting for obtaining loans and also approved increase in borrowings limits for Rs.50 Crores (Rupees Fifty Crores Only) in addition to the existing approved borrowing limits of Rs.2,500 Crores, (Total borrowing limits aggregating to Rs.2550 Crores) notwithstanding that the outstanding borrowings as on March 31, 2021 have not crossed the existing approved borrowing limits of Rs. 2,500 Crores.

Hence, considering the business plans and the growing fund requirements of the Company, it is proposed to increase the existing borrowing limit of the Company from Rs.2,500 crores to Rs.2,550 crores. The approval of the members is sought pursuant to Section 180(1)(c) of the Companies Act, 2013 and rules made thereunder.

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 Resolution set out in Item No. 4 to the shareholders of the Company.

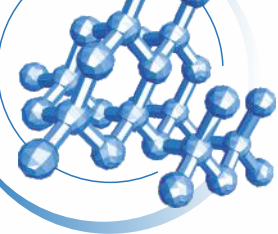
None of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be concerned or interested, financially or otherwise, in the resolution set out at Item No. 04 of this Notice except to the extent of their shareholding in the Company, if any.

Item No. 5 - Approval for creation of Charges/Mortgage on properties of the Company under Section 180(1) (a) of the Companies Act, 2013

The Members of the Company accorded their consent through resolution passed through Postal Ballot dated August 26, 2014 to Create charges, mortgages, hypothecation and dispose off of the immovable and movable properties of the Company under Section 180(1)(a) of the Companies Act, 2013 up to Rs. 2,500 (Rupees Two thousand five hundred crores only).

In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole or part of the undertaking of the Company. In terms of the provisions of Section 180 (1) (a) of the Companies Act, 2013, a company cannot sell, lease or otherwise dispose-off the whole or substantially the whole of the undertaking or undertakings of the Company without the consent of the Shareholders of the Company by way of a Special Resolution.

The proposed borrowings of the Company may, if necessary, be secured by way of Charge/mortgage/hypothecation on the Company's assets in favour of the lenders. Consequent to the proposed increase in the borrowing limits of the Company from



Rs.2,500 Crores to Rs.2,550 Crores as clearly defined in Item No.4 of the explanatory statement, it would be necessary to revise the approval for creation of charges/mortgage on properties of the Company given by the Members of the Company vide the Special resolution passed through Postal Ballot on August 26, 2014 pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013.

Therefore, the Board of Directors of the Company recommends the passing of the proposed Special Resolution as contained in this Notice, by Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives are deemed to be concerned or interested, financially or otherwise, in the resolution set out at Item No. 05 of this Notice except to the extent of their shareholding in the Company, if any.

Item No. 6 - Approval to make Investments, give loans, guarantees and provide securities under Section 186 of the Companies Act, 2013

The provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended to date, provides that no company is permitted to, directly or indirectly, (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more without prior approval of Members by means of a Special Resolution passed at a general meeting.

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, which requires the Company to make sizeable loans / investments and issue guarantees / securities to persons or bodies corporate, from time to time, prior approval of the Members is being sought for limit up to Rs.100 Crores (Rupees One Hundred Crores Only) under Section 186 of the Companies Act, 2013, by way of special resolution. The above proposal is in the interest of the Company and the Board recommends the Resolution as set out at Item No. 6 for approval by the members of the Company.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with interested, financially or otherwise in the resolution at Item no. 6 of the accompanying notice. The Board recommends the resolution at Item no. 6 to be passed as Special Resolution.

Item No. 7 - 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 10% of the Annual consolidated turnover of the Company, as per the last audited financial statements of the Company. 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 Chemical (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 above related party transaction is in the best interest of the Company.

However, the estimated value of transaction in respect of transactions with M/s. Otsuka Chemicals (India) private Limited for the financial year 2021-2022 is likely to exceed 10% of the Annual consolidated turnover of the Company as per the last Audited financial statements of the Company and may exceed the materiality threshold as prescribed under Regulation 23 of the Listing Regulations. Thus, these transactions would require the 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 (including any modifications, alterations, amendments or renewal thereto) with the aforesaid parties during the Financial year 2021-2022 subject to the limits mentioned in the table below:

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 and Shri Mridul Dhanuka, Whole Time Director
Nature of relationship	Shri Manish Dhanuka is a Director on M/s. Otsuka Chemicals (India) Pvt. Ltd. Shri Mridul Dhanuka is a Member of M/s. Otsuka Chemicals (India) Pvt. Ltd.
Aggregate maximum value of the contract/ arrangement per transaction in any financial year	Aggregate Upto Rs.75 Crores (Rupees Seventy Five Crores Only) for the financial year 2021-2022
Nature, 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. The purchase value per month is around Rs.6 Crores.
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.

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.7.

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.

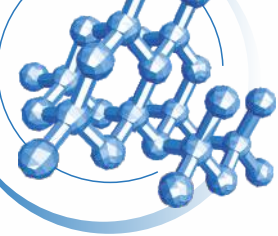
The Board considers that the proposed related party transactions with M/s. Otsuka Chemicals (India) private Limited play a significant role in the Company's business

operations and accordingly the Board recommends the Ordinary Resolution as set out in Item No. 7 of this Notice for approval of the Members. This Explanatory statement may also be regarded as a disclosure under SEBI (LODR) Regulations, 2015.

Item No. 8 - Approval of 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.

At the 27th Annual General Meeting of the Company held on December 30, 2020, the Members of the Company had accorded their approval by passing a Special resolution under Section 180 (1) (a) for sale/disposal/transfer of Undertakings of the Company for aggregate value of up to Rs.300 Crores.

Pursuant to the Provisions of Section 188 of the Companies Act, 2013 ("the Act"), the Companies (Meetings of Board and its Powers) Rules, 2014, the Related Party Transactions as mentioned in clause (a) to (g) of the said section require a company to obtain approval of the Board of Directors and subsequently the prior approval of Shareholders of the Company by way of an Ordinary resolution in case the value of the Related party transactions exceeds the stipulated thresholds prescribed in Rule 15 of the said Rules and transactions



other than in Ordinary course of business and on arm's length basis. Section 188(1)(b) of the Companies Act, 2013 ("Act") read with Rule 15(3)(a)(ii) of the Companies (Meetings of Board and its Powers) Rules, 2014 require that any transaction entered into between related parties for selling or otherwise disposing of, or buying property of any kind, where the amount involved is equal to or exceeds 10% of the net worth of the company, is to be approved by the members of the company by way of passing an Ordinary resolution (Prior approval) except where the proposed related party transactions are in the Ordinary course of business and at arm's length basis.

Further, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') mandates approval of the Members through resolution passed at General Meeting for all Material related party transactions, even if they are entered into in the ordinary course of business and on arm's length basis.

M/s. OrBion Pharmaceuticals 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 proposed transaction with M/s. OrBion Pharmaceuticals Private Limited would be in the nature of a related party transaction under section 188 (1)(b) of the Act read with the Rules framed thereunder.

Justification for Entering into this Transaction

As the IKKT Business is generating negative EBIDTA, hiving off this business will improve the profitability of Orchid, moreover, partnership with Bion Pharma will improve the profitability of IKKT business also, thereby, increasing its future valuation. The shareholding of Orbion shall be held by Orchid Pharma Ltd. only and not by any of the Directors/Promoters in personal capacity. Therefore, this transaction will be beneficial to the members of Orchid Pharma and in no way provide any additional benefit to Directors/Promoters. This transaction is considered as Related Party because it falls in the definition of Related Party as per Section 2(76) of the Companies Act, 2013 (OrBion being an Associate Company and Mr. Mridul Dhanuka, Whole time Director of the Company is also a Director on the Board of OrBion Pharmaceuticals Private Limited). The above transaction proposed to be undertaken is in the best interests of the Company and its Members as a whole and are most likely to promote the success of the Company for the benefit of its Members as a whole. The net proceeds from the sale of the Undertaking will be utilized to repay the existing loans and reduce interest burden.

The disclosures under Rule 15(3)(ii) of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended as enumerated herewith:

(a) Name of the related party	M/s. OrBion Pharmaceuticals Private Limited
(b) Name of the Director or Key Managerial Personnel who is related, if any	Mr. Mridul Dhanuka, Whole Time Director
(c) Nature of Relationship	Related party under Section 2(76) & Associate Company
(d) Nature, material terms, monetary value and particulars of the contract or arrangements;	The Undertaking will be transferred to M/s. OrBion Pharmaceuticals Private Limited, as a going concern on a Slump-sale basis for a lump sum consideration of up to Rs.170 Crores (Rupees One Hundred and Seventy Crores Only) including Equity stake of 26% in M/s. OrBion Pharmaceuticals Private Limited.
(e) Any other information relevant or important for the members to take a decision on the proposed resolution.	The company was in the process of selling the IKKT business and was looking for partners, for which the approval from the Board was accorded at their meeting held on November 11, 2020 and the approval from the Shareholders was already received at the 27th AGM of the Company held on December 30, 2020. During the negotiation process, it was found that Bion Pharma offered the best value for this Business, however, Bion Pharma being a Foreign company, it was restricted to a maximum of 74% shareholding as per RBI guidelines, therefore, Bion Pharma offered Orchid to retain the 26% share in the proposed new Entity Orbion Pharmaceuticals Pvt. Ltd. The above transaction is in the best interest of the Company.

The transfer of the undertaking shall be effective from the Closing date (as defined under the BTA) or such other date as may be decided by the Board in this regard, subject to receipt of necessary approvals wherever applicable.

None of the Related Parties shall 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.8

Except for Mr.Mridul Dhanuka, Whole Time Director being Common Director on the Board of both the Companies and his 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 Board is of the opinion that the aforesaid proposal is in the best interest of the Company and accordingly the Board recommends the Ordinary Resolution as set out in Item No.8 of this Notice for approval of the Members.

This Explanatory statement may also be regarded as a disclosure as required under Listing Regulations.

Item No. 9 - Approval for Obtaining Loan from M/s Dhanuka Laboratories Limited ("Holding Company") as a Material Related party transaction(s) under Regulation 23 of the Securities and Exchanges Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to the applicable provision of the Companies Act, 2013 ("Act") read with the applicable rules issued under the Act, Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with amendment thereof ("SEBI Listing Regulations") and the Company's Policy on Materiality of Related Party Transactions and also on dealing with Related Party Transactions of the Company ("the Policy"), all material related party transactions of the Company require approval of the shareholders through ordinary resolution.

In accordance with Regulation 23 of the SEBI Listing Regulations, "Material Related Party Transaction" means any transaction with a related party if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover as per the last audited financial statements of the Company.

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company may need additional funds. For this purpose, the Company has approached M/s Dhanuka Laboratories Limited ("Holding Company") to provide unsecured loan to the Company upto an

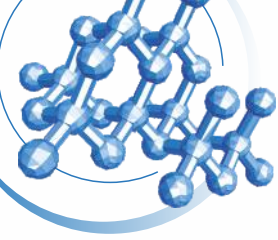
amount of Rs. 50 Crores. M/s. Dhanuka Laboratories Limited is a 'Related Party' within the meaning of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Therefore, pursuant to Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') mandates approval of the Members through resolution passed at General Meeting for all Material related party transactions, even if they are entered into in the ordinary course of business and on arm's length basis.

With the increase in the operations of the Company, it's the working capital and other funding requirements for the purpose of its operations and business are expected to increase substantially. As such the Company proposes to avail unsecured loans/ advances for its business, from time to time, on arms' length basis from M/s. Dhanuka Laboratories Limited ("Holding Company" / "Promoter") in one or more tranches, depending on the necessity of the loan/advances by the Company and the willingness of the lender, at an interest rate which is equal to or not less than the prevailing bank lending rates and on such other terms and conditions as the Board of Directors of the Company (including any authorised Committee thereof) may agree with the lender, in the best interest of the Company and subject to such other approvals, if any, as may be required.

In terms of the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of a public Limited Company cannot, except with the consent of the Members in General Meeting by a Special resolution, to borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital, free reserves and securities premium, apart from temporary loans obtained from the company's bankers in the ordinary course of business. Therefore, the Board of Directors already set out in Item No.04 to seek approval from Shareholders under section 180(1)(c) of the Companies Act, 2013.

The Board of Directors at its meeting held on July 15, 2021 has approved the above proposal subject to the approval of the shareholders. The Board recommends and proposes this resolution to the shareholders for their approval in the best interest of the Company. None of the Related Parties shall 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.9

In accordance with Section 102(1) and proviso to Section 102(2) of the Act, the nature of concern or interest financial or otherwise and the shareholding interest of every Promoter/Director/Key Managerial Personnel in the other Company namely M/s. Dhanuka Laboratories Limited to the extent that such shareholding is in



excess of 2% of the paid up capital of that Company is required to be disclosed:

Mr. Ram Gopal Agarwal, Non-Executive Director of the Company is a Member of M/s.Dhanuka Laboratories Limited holding 6.40% of the paid up share capital of M/s. Dhanuka Laboratories Limited

Mr. Manish Dhanuka, Managing Director of the Company is also the Managing Director of M/s.Dhanuka Laboratories Limited and a Member holding 15.16% of the paid up share capital of M/s. Dhanuka Laboratories Limited

Mr. Mridul Dhanuka, Whole Time Director of the Company is also the Director of M/s.Dhanuka Laboratories Limited and his shareholding is not in excess of 2% of total shareholding of M/s. Dhanuka Laboratories Limited

Mr. Arun Kumar Dhanuka, Non-Executive Director of the Company is also the Director of M/s.Dhanuka Laboratories Limited and a Member holding 9.84% of the paid up share capital of M/s. Dhanuka Laboratories Limited

Shri Sunil Kumar Gupta, Chief Financial Officer of the Company is also the Chief Financial Officer of M/s. Dhanuka Laboratories Limited(Holding Company)

Except for Mr. Manish Dhanuka, Mr. Mridul Dhanuka, Mr. Arun Kumar Dhanuka being Common Directors on the Board of both the Companies 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 Board is of the opinion that the aforesaid proposal is in the best interest of the Company and accordingly the Board recommends the Ordinary Resolution as set out in Item No.10 of this Notice for approval of the Members.

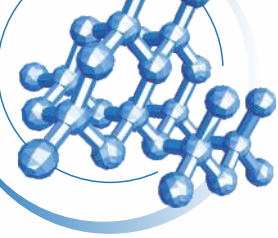
This Explanatory statement may also be regarded as a disclosure as required under Listing Regulations.

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(SS2) ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

Shri Arun Kumar Dhanuka, Non-Executive Director

Particulars	Item No. 2
 <p>Shri Arun Kumar Dhanuka (DIN: 00627425)</p>	
Name , Age & Nationality of the Director	Shri Arun Kumar Dhanuka(DIN: 00627425), Indian, 64 years
Date of Birth	14.05.1957
Qualification	Shri Arun Kumar Dhanuka holds a degree in Bachelor of Commerce(Honors)from the Delhi University
Brief resume, Experience and expertise in specific functional areas	Shri Arun Kumar Dhanuka has a distinguished corporate career and has 43 years of experience. Shri Arun Kumar Dhanuka is a Director at M/s. Dhanuka Laboratories Limited where he is responsible for overseeing all financial and commercial matters. His experience in listening and dealing with public offices is essential for the growth of Dhanuka Group of companies. Shri Arun Kumar Dhanuka has been associated with M/s. Dhanuka Agritech Limited since its inception by handling operations role in M/s. Northern Minerals Pvt. Limited. With his innovative ideas, able leadership and utmost sincerity, he has raised the Company to new heights of success. He is known for his can-do attitude and his people management skills are imperative for the smooth functioning of the companies.
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	Director
Unlisted Public Company	
M/s. Dhanuka Laboratories Limited	Director
Chairman/ Member of the Committee of the Board of Director of the Company	Orchid Pharma Limited Nomination and Remuneration Committee- Member (w. e. f. June 29, 2020) Banking, Finance and Operations Committee - Member (w. e. f. March 31, 2020)
*Chairman/ Member of the Committee of the other companies in which he is a Director (Audit Committee and Stakeholder's Committee are only considered)	Dhanuka Laboratories Limited Audit Committee- Member



Particulars	Item No.02
Number of Shares held in the Company (both own or held by/ for other persons on a beneficial basis)as on March 31, 2021	Nil (Refer Note 1 appended herewith)
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	<p>Shri Arun Kumar Dhanuka and Shri Manish Dhanuka Managing Director are brothers. Shri. Ram Gopal Agarwal, Non-Executive Director is the cousin brother of Shri. Arun Kumar Dhanuka. Shri Mridul Dhanuka, Whole Time Director, is nephew of Shri. Arun Kumar Dhanuka.</p> <p>Except as stated above, Shri Arun Kumar Dhanuka is not related to other Directors and Key Managerial Personnel of the Company</p>
Number of meetings attended during the year	4 (Four) Meetings
Terms and conditions of appointment along with details of remuneration sought to be paid	Shri Arun Kumar Dhanuka is entitled only to the sitting fee for attending the Board and committee meetings which is fixed at Rs.25,000/- (Rupees Twenty five thousand Only) per Board Meeting and Rs.5,000 (Rupees Five Thousand Only) per Committee meeting
<p>Note 1- As on March 31, 2021, M/s Dhanuka Laboratories Limited holds 98% of shares in the Company where Shri Arun Kumar Dhanuka, Non-Executive Director is a Director and Member. Shri Arun Kumar Dhanuka is also one of the Significant Beneficial Owners of M/s Dhanuka Laboratories Limited</p>	



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