OrchidPharma

— A Dhanuka Group Company —

ANNUAL REPORT 2022-23

Forward-looking statement

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


OrchidPharma
A Dhanuka Group Company
Vision
Become a
composite and
meaning fully integrated
pharmaceutical corporation
competing in differentiated arenas where
greater, more sustainable value can be created

Corporate Information

Board of Directors

Shri Ram Gopal Agarwal, Chairman & Non-Executive Director
Shri Manish Dhanuka, Managing Director
Shri Mridul Dhanuka, Whole-time Director
Smt Tanu Singla, Independent Director
Dr Dharam Vir, Independent Director
Shri Mudit Tandon, Independent Director
Shri Manoj Kumar Goyal, Independent Director

Management Team

Shri Sunil Kumar Gupta, Chief Financial Officer
Mr. Antony Martin, Gm - Production - Non Sterile and Utilities
Mr. Satheesh Kumar, GM – Sterile, Production and Maintenance
Mr. Thirunavukkarasu R, General Manager - Quality Control
Mr. Chellapandi D, Senior General Manager – Engineering
Mr. S N Rajendiran, G M - Quality Assurance
Mr. Srinivasan S, Head - CTD & IPM
Dr R J Sarangdhar, Vice President - (Unit Head - API & FDF)
Ms. Marina Peter, Company Secretary & Compliance Officer

Statutory Auditors

M/s. Singhi & Co.
Chartered Accountants
Unit-11-D, 11th Floor, Ega Trade Centre,
809, Poonamallee High Road, Kilpauk,
Chennai - 600 010, 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. TRC Corporate Consulting Pvt. Ltd.
Chartered Accountants
Plot No. 76-E, Udyog Vihar, Phase - 4,
Gurugram, Haryana - 122015

Registrar and Share Transfer Agents

Abhipra Capital Limited
Abhipra Complex A-387, Dilkhush Indl Area,
G.T. Karnal Road, Azadpur, Delhi-110033
Ph. : 91-11-42390783

Banks / Financial Institutions

Union Bank of India
HDFC Bank Limited
Yes Bank Limited

Board of Directors

Shri Ram Gopal Agarwal
Chairman &
Non-Executive Director

Shri Manish Dhanuka
Managing Director

Shri Mridul Dhanuka
Whole-time Director

Dr Dharam Vir
Independent Director

Shri Manoj Kumar Goyal
Independent Director

Smt Tanu Singla
Independent Director

Shri Mudit Tandon
Independent Director

DELIVERING EXCELLENCE

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

Contents

Message from the Managing Director

Dear Shareholders

Greetings from Orchid Pharma and wishing the best for all of you.

I am delighted to share with you, my message, through this annual report, highlighting Orchid's performance during the last FY and sharing plans for the future.

The year under review has been about change, resilience, about resetting priorities and the drive towards the achievement of our dreams. This is true not just for Orchid Pharma; this is also the story for most of humankind since the Coronavirus pandemic manifested itself in 2020.

I am pleased to share that your company has done well in a volatile global environment in the year gone by. Your company has registered a growth of 21% in revenue and 56 % in EBIDTA during the FY 22-23 over the previous year. Every passing quarter our performance improved driven by our focus on sustainable growth. I am glad to inform that this is the first year since the implementation of the Resolution Plan when your company has registered a Profit. These results have helped the company to come out of indebtedness, and this will provide stability to the company.

We feel that our efforts to turnaround have yielded positive results, and the growth demonstrated by the company are a result of increasing the capacity utilization, optimization of the manufacturing operations, and increased focus on Sales and Marketing. While we continue to make efforts in cost optimization, we have increased focus towards increasing capacities by further debottlenecking the manufacturing capabilities, and, by investing in the incremental machinery and utilities. These initiatives will result in increasing our production capacity significantly with minimal investment.

In addition to this, your company has worked out extensive investment plans in the following areas:-

1. Implementation of the Project to Manufacture 7ACA, the key input Raw Material for our products, this product is proposed to be manufactured in the Union Territory of Jammu and Kashmir, where the company has identified cost advantages for this investment. The company has already been awarded PLI benefits for setting up this project. The company has completed a tied up for the technology of this product with a leading Biotech company.
2. Developing and Filing of the new DMFs and ANDAs in the Regulated Markets for the products going off Patent and also making efforts to file an ANDA at NCE-1 stage.
3. Invest at the Alathur facility in the new Manufacturing Blocks to manufacture some of the existing products at a very large scale to improve the cost leadership of the company in these products.

To implement the above projects, your company has been able to raise money successfully through QIP and we would like to thank the Investors, who have reposed confidence on us. This Capital combined with our proposed Investment plans has the potential to take Orchid on a path of exponential growth.

We believe that the company has gone through a transformation in the last three years, with rejuvenated energy among the whole team. The existing team with the newly infused talent is working hand in hand to develop innovative processes and implementing latest technologies. There is an increased effort to upgrade the facilities with focus of regulatory compliance. The spirit of teamwork and co-operation is high, which is resulting in fast and efficient execution in all areas.

All the above achievements would not have been possible without the commitment and dedication of my colleagues and fellow employees at Orchid. I would like to express my gratitude to each one of them, who have contributed to building the Orchid culture of hard work, honesty, and sincerity.

I would like to thank our Board of Directors for their guidance, motivation and support. I am also grateful to them for engaging in meaningful discussions during the Board Meetings.

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

We are thankful to the shareholders for their support and encouragement. The Directors and the Management acknowledge the co-operation extended by the Shareholders in approving all the resolutions presented during the year. We wish a very happy and prosperous times ahead for all of you.

Manish Dhanuka

Managing Director

Awards and Accolades

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

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

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

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

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


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

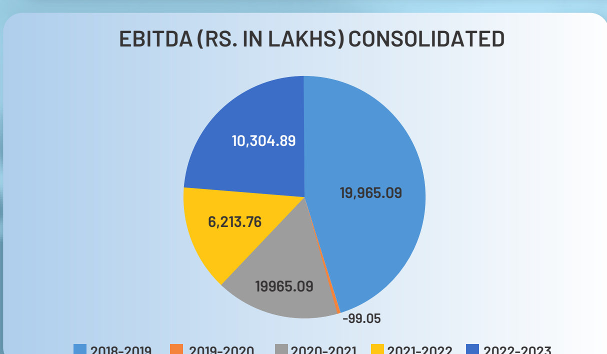
Safe environment-Safe life

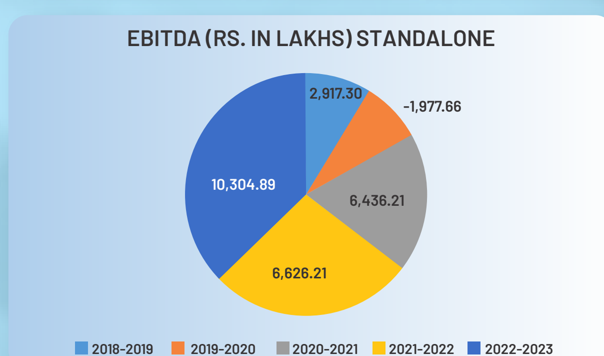
Tree plantation-World Environment day

Financial Highlights

Rs. in Lakhs

Particulars	CONSOLIDATED					STANDALONEALONE				
	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Revenue from operations	66589.84	55,955.74	45,006.04	50,804.04	59,998.05	66589.84	55,697.44	45,069.50	50,544.79	58,364.62
Total income	68532.89	56,856.03	46,527.20	53,252.86	61,690.89	68532.89	56,597.73	45,715.61	52,993.61	60,057.46
EBITDA	10304.89	6,213.76	6,500.31	-99.05	19,965.09	10304.89	6,626.21	6,436.21	-1,977.66	2,917.30
PBIT	8747.25	-2,488.70	-4,391.33	-12,691.16	6,970.75	8747.25	-2,075.87	-4,453.66	-14,567.73	-10,075.17
PBT	5524.68	-5,689.87	-9,524.89	-13,107.01	6,940.79	5524.68	-5,277.04	-9,587.22	-14,983.58	-10,105.13
PAT	5524.68	-5,689.87	-9,524.89	-13,107.01	6,940.79	5524.68	-5,277.04	-9,587.22	-14,983.58	-10,105.13
Profit / Loss from Discontinuing Operations	-677.51	5,847.02	-2,128.11	-	-	-105.81	4,796.32	-2,128.11	-	-
Share of loss of Associates	-215.35	-352.27	-	-	-	-	-	-	-	-
Net fixed assets	57309.45	58,370.28	67,044.54	103,888.48	125,626.18	57305.64	58,365.32	67,038.71	103,880.86	116,134.97
Net working capital	12911.80	20,910.75	40,777.53	40,639.95	-157,808.22	16716.41	24,147.61	44,138.00	44,360.39	-152,925.18
Non current investments	4444.13	4,549.08	40.44	33.82	47.21	5011.85	4,901.35	40.44	33.83	47.21
Shareholders networth	68924.62	64,737.99	65,290.78	102,435.73	-70,403.75	73196.26	67,795.26	68,133.68	105,619.79	-75,499.06
Loan funds	33134.57	26,795.36	45,274.00	50,147.07	212,009.71	33134.57	26,795.36	45,274.00	50,147.07	212,009.71
Stock information										
Number of shares	40,816,400	40,816,400	40,816,400	88,964,327	88,964,327	40,816,400	40,816,400	40,816,400	88,964,327	88,964,327
Earnings per share-Basic	11.35	-0.48	-28.55	-14.75	7.80	13.28	-1.18	-28.70	-16.87	-11.36
Earnings per share-Diluted	11.35	-0.48	-28.55	-14.75	7.80	13.28	-1.18	-28.70	-16.87	-11.36





Board's Report

Dear Members,

Your Board of Directors have pleasure in presenting the Thirtieth (30th) Board's Report together with the Audited Financial Statements of the Company for the Financial Year ended March31, 2023.

Financial summary/Performance/State of Company's affairs

The Highlights of the standalone and consolidated financial results for the Financial Year 2022-2023 as per the INDAS are given below:-

(Rs in Crores)

Particulars	Standalone		Consolidated	
	Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2023	Year ended 31.03.2022
Sales & Operating Income	665.90	556.97	665.90	559.56
Other Income	19.43	9.00	19.43	9.00
Total Expenditure	582.28	499.72	582.28	509.95
Gross Profit/(Loss)	103.05	66.26	103.05	58.61
Interest & Finance Charges	32.22	32.01	32.22	32.01
Gross Profit after Interest but before Depreciation and Taxation	70.83	34.25	70.83	26.60
Depreciation	54.79	87.02	54.79	87.02
Profit/(Loss)before Tax, and extraordinary items	16.04	(52.77)	16.04	(60.42)
Exceptional items-[Income/(Expenditure)]	39.21	-	39.21	-
Profit/(Loss) Before Tax	55.25	(52.77)	55.25	(60.42)
Current & Deferred Tax	-	-	-	-
Profit/(Loss) after Tax-Continuing Operations	55.25	(52.77)	55.25	(60.42)
Profit/ Loss from discontinued operations after tax	(1.06)	47.96	(8.93)	58.47
Profit/Loss for the year	54.19	(4.81)	46.32	(1.95)
Re-measurement of post-employment benefit obligations	(0.23)	1.46	(0.23)	1.46
Gain/(Loss) on fair valuation of the Investments	0.05	(0.04)	0.05	(0.04)
Comprehensive Profit/Loss for the Year	54.01	(3.38)	46.14	(0.53)

Business segments

Your Company operates in one business segment viz., pharmaceuticals in which the Company drives its sales through Active Pharmaceutical Ingredients (APIs). The Company has a portfolio of antibiotics, and veterinary products. Antibiotics are life-saving drugs used to fight infections. Different classes of antibiotics include Beta-lactam, Macrolide, Fluoroquinolone, Imidazoleetc. Cephalosporins are beta-lactam antimicrobials used to manage various infections from gram-positive and gram-negative bacteria. The five generations of cephalosporins are useful against skin infections, urinary tract infections, lower respiratory tract infections, sexually transmitted diseases, surgical prophylaxis, and other infections like meningitis.

We have a wide portfolio of cephalosporin products, along with few veterinary products and are engaged in manufacturing and export of all five generations of cephalosporin products. Amongst antibiotics, the company has one of the widest ranges of cephalosporin APIs, spanning all 5 generations catering the need of various international markets. The Company has a strong global presence with a wide customer base.

Your Company is also engaged in manufacturing and export of general category finished dosage formulations and anti-infective finished dosage formulations through its formulation facilities.

Standalone Financials

During the financial year 2022-2023, your Company achieved a turnover and operating income of Rs. 665.90crores against Rs. 556.97 crores in 2021-2022. The Gross Profit before interest, depreciation and taxes during the year stood at Rs.103.05 crores against a Gross Profit of Rs.66.26 crores in 2021- 2022. After providing for interest expense, depreciation, exceptional item, the Profit before tax of the Company for the year was Rs. 55.25 Crores against Loss of (Rs. 52.77) crores in 2021- 2022. The Comprehensive Profit stood at Rs.54.01 crores during 2022-2023 against Loss of (Rs.3.38) crores in 2021-2022.

Consolidated Financials

During the financial year 2022-2023, your Company achieved a turnover and operating income of Rs. 665.90 crores as against Rs. 559.56 crores in 2021- 2022. The Gross Profit before interest, depreciation and taxes during the year stood at Rs. 103.05 crores against a Gross Profit of Rs. 58.61 crores in 2021- 2022. After providing for interest expense, depreciation, exceptional item, the Profit before tax of the Company for the year was Rs. 55.25 Crores against a loss of (Rs. 60.42) crores in 2021-2022. The Comprehensive Profit stood at Rs. 46.14 crores during 2022-23 against a loss of (Rs.0.53) crores in 2021-2022. The Impact of Covid 19 has gradually was reducing during the year. Most of the plants of your Company were in operation and utilizing maximum capacity of the same. Your Company managed to sustain standalone sales of Rs.665.90 crores with better gross margin.

Capex and Liquidity

During the year, the Company has spent Rs. 36.68 Crores towards capital expenditure. As on March 31, 2023, the long-term secured financial facility availed by the Company is Rs.81.64 crores.

Material events during the year under review

I. Scheme of Merger/Amalgamation:

During the year under review, the Scheme of Amalgamation and Arrangement of Dhanuka Laboratories Limited ('Transferor Company') with and into Orchid Pharma Limited (' Transferee Company') and their respective shareholders and creditors ('Scheme') in compliance with Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 was not approved by NCLT, Chennai. The implementation of the aforesaid Scheme, which is subject to the approval of Shareholders and other statutory authorities would inter-alia enable both the Transferor and Transferee Companies to realize benefit of greater synergies between their businesses, achieve wider product offerings and geographical footprints, consolidate operations thereby leveraging the capability of the amalgamated company, yield beneficial results and pool financial resources as well as managerial, technical, distribution and marketing resources of each other in the interest of maximising value to their Shareholders and the stakeholders and aid in achieving economies of scale.

The Company had submitted applications to the NSE and BSE towards the aforesaid Scheme and had received the 'observation letters' for no objection from NSE on March 29, 2022 and BSE on March 30, 2022. Further, a joint application on behalf of our Company and the Transferor Company was filed for the approval of the Scheme before the NCLT which was rejected on the ground that there was a mismatch between the liability amounts in the provisional balance sheet of our Company, the financial position averred in the joint application submitted to the NCLT and the chartered accountant certificate produced before the NCLT.

Our Company had filed an appeal before the NCLAT dated December 05, 2022 against the impugned order of the NCLT, however the said appeal has been withdrawn by our Company and NCLAT vide its order dated January 05, 2023 dismissed the appeal as withdrawn. The Company has decided to defer this Proposed Scheme of Amalgamation for business reasons. The Company may refile in future, as appropriate after taking necessary approvals. The scheme was withdrawn by both the Companies.

II. Sale of Non-Core Assets:

During the year, the Company has completed its target of selling Non-core assets. One of the remaining Non- core assets Orchid Tower was sold for Rs. 52.50 Crores and funds were utilized to repay the term loan.

III. Raising of Funds through Qualified Institutional Placement:

The Board of Directors of the Company at its meeting held on December 01, 2022 approved raising of funds for an amount not exceeding Rs. 500 Crores through Qualified Institutional Placement route. The Shareholders' of the Company passed Special Resolution at the extra-Ordinary General meeting held on December 29, 2022 to approve the raising of funds through QIP.

The Company submitted Preliminary Placement Documents and Placement Document to National Stock Exchange of India Limited and BSE Limited ("Stock Exchanges") on June 22, 2023 and June 27, 2023 respectively. Upon receipt of In-Principle approval from the Stock Exchanges on June 22, 2023, the Board of Directors at its meeting held on June 27, 2023 approved the issue and allotment of 9,902,705 Equity Shares of face value ₹ 10 each to eligible qualified institutional buyers at the issue price of ₹403.93 per Equity Share (including a premium of ₹393.93 per Equity Share) reflects a discount of ₹21.26 (i.e. 5%) on the Floor Price of ₹ 425.19 per Equity Share, aggregating to ₹ 4000.00 million, pursuant to the Issue in accordance with the SEBI ICDR Regulations.

Consequently, the Promoter Shareholding in the Company stands decreased from 89.96% to 72.40% whereas the Public shareholding increased from 10.04% to 27.60% w.e.f. June 27, 2023.

IV. Set up a new facility to enable backward integration:

Company's wholly owned subsidiary in India namely Orchid Bio-Pharma Limited made an application with the Competent

Authority under the Production Linked Incentive (PLI) Scheme for promotion of domestic manufacturing of critical Key Starting Materials (KSMs)/Drug Intermediates (DIs)/ Active Pharmaceutical Ingredients (APIs) in India.

In the matter, IFCI Limited vide its letter bearing reference IFCI/CASD/DoP/PLI220715016 approved the application under the PLI Scheme to Orchid Bio-Pharma Limited for manufacture of the product "7 ACA" with a committed capacity of 1000 Metric Ton Per Annum and for a total incentive up to ₹6,000 million during the tenure of the scheme i.e., Fiscal 2024 till Fiscal 2029. The Company is in process of setting up a facility in Jammu for manufacturing 7ACA under the PLI Scheme.7ACA is a critical raw material for manufacturing cephalosporins and in-house production of 7ACA under the PLI scheme will enable us to do backward integration, achieve a captive source of supply and better gross margins.

Future Outlook

It is been three years now since the implementation of the approved Resolution plan and your Company is moving in a positive direction. Huge efforts are required still towards rebuilding the organization and taking it to greater heights. In financial terms, the objective of your Company is to lower earnings volatility, strive for higher predictable and calibrated growth and improve Sales and EBITDA margins.

With the new Capacities on Sterile and Oral products coming on line, and backward integration, your company is now poised to be global leader in the Cephalosporin space.

Management Discussion and Analysis report

A report on the Management Discussion and Analysis in terms of the provisions of Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")is presented as a separate annexure in this annual report.

Corporate Governance Report and Additional Shareholder's information

The Company is committed to uphold high standards of Corporate Governance and adhere to the requirements set out by the Securities and Exchange Board of India.

A detailed report on Corporate Governance along with the Certificate issued by M/s VAPN Associate & Co., Practicing Company Secretaries, regarding compliance with conditions of Corporate Governance as stipulated in Part C of Schedule V of the SEBI LODR Regulations and a certificate from a Practicing Company Secretary that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by Board / Ministry of Corporate Affairs or any such statutory authority is given in **Annexure IV** of this Report.

Board Committees

Your Board has constituted the Committees with specific terms of reference as per the requirements of the SEBI Listing Regulations, the Act and other applicable provisions.

The following are the statutory Committees constituted by the Board and they function according to their respective roles and defined scope:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility Committee*

**In accordance to the provisions of Section 135 of Companies Act, 2013 read with Rules made thereunder, the Corporate Social Responsibility Committee was constituted on June 19, 2023.*

Details of composition, terms of reference and number of meetings held for respective Committees are given in the Report on Corporate Governance, which forms a part of this Annual Report. Further, during the year under review, all recommendations made by the Audit Committee have been accepted by the Board.

The Board Committees play a vital role in the effective compliance and governance of the Company in line with their specified and distinct terms of reference and role and responsibilities. The Chairpersons of the respective Committees report to the Board on the deliberations and decisions taken by the Committees.

The details of composition of Board and Committees along with changes thereof and their meetings held during the year are given in the Corporate Governance Report which forms integral part of this Report.

Board meetings held during the year

During the year under review, Six (6) meetings of the Board of Directors were held. The Board Meetings were held in accordance with provisions of the Companies Act, 2013 & the relevant rules made there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). A calendar of meetings is prepared and circulated in advance to the Directors. The intervening gap between the Meetings was within the period prescribed under the Act and the SEBI Listing Regulations. All the recommendations made by the Committees of the Board including the Audit Committee were accepted and implemented by the Board.

The details of the Board and committee meetings held during the year under review are furnished in the Corporate Governance Report forming part of this Report.

Adequacy of Internal Financial Control System

The Internal Financial Controls of the company encompasses the policies, standard operating procedure manuals, approval/ authorization matrix, circulars/ guidelines, and risk & control matrices adopted by the company for ensuring the orderly and efficient conduct of its business & support functions, adherence to these policies & procedures, 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 during the process of financial reporting.

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, your company currently holds 05 ANDAs and in the API (Active Pharmaceutical Ingredients) domain, Orchid's cumulative filings of US DMF stand at 46. The break-up of the total filings is 28 in the Cephalosporin Segment and 18 in NPNC segment. In European market space the cumulative filings of COS (Certificate of Suitability) count remained at 17 (15 approved and 2 under review) which pertains to the cephalosporin segment. In the Japan market, the cumulative filings of JDMFs count remained at 8 all in Cephalosporin segment.

Intellectual Property Rights

The total number of active patent portfolio maintained by Orchid in various national and international patent office's so far is 21 including Process & New Chemical Entities (NCE). Out of 21 patents, your Company have been granted and hold 17 patents, 4 patent applications are published as of March 31, 2023.

Your Company has a total of 11 trademark registrations in India.

Dividend & Reserves

The Board does not recommend any dividend to the shareholders of the Company for the Financial Year ended March 31, 2023 to augment the reserves. 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 based on market capitalization as on March 31 of every Financial Year, to formulate a Dividend Distribution Policy and disclose the same on the website of the Company and a web link of the policy be disclosed in the Annual Report.

The Board of Directors of the Company has adopted a Dividend Distribution Policy, which aims to ensure fairness, sustainability and consistency in distributing profits to the Shareholders. The Policy is available on the website of the Company i.e. http://www.orchidpharma.com/downloads/Dividend%20Distribution%20policy.pdf

Business Responsibility and Sustainability Reporting (BRSR)

The Company has provided BRSR, in lieu of the Business Responsibility Report, which indicates the Company's performance against the principles of the 'National Guidelines on Responsible Business Conduct'. This would enable the Members to have an insight into environmental, social and governance initiatives of the Company. The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

Pursuant to Regulation 34 of the SEBI Listing Regulations mandates the inclusion of the Business Responsibility Report as part of the Annual Report for the top 1000 listed entities based on market capitalization as at the end of immediate previous financial year. Accordingly, the Business Responsibility and Sustainability Reporting (BRSR) forms part of this Annual Report and the same is available on Company's website at http://www.orchidpharma.com/downloads/annualreports/BRSR%20Report.pdf and the same will be made available by e-mail to any shareholder upon receipt of request.

Employees Stock Option Plan

Company does not have any active employee stock option plan or employee stock option scheme as on March 31, 2023.

SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES

Your Company has seven Subsidiaries, including two step down Subsidiaries namely;

A. Subsidiaries

i. Bexel Pharmaceuticals Inc., USA (Bexel)

Bexel was incorporated basically to conduct Research & Development activities in new drug discovery segment.

ii. 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., USA and Orchid Pharma Inc.,/Karalex Pharma LLC, USA.

iii. Diakron Pharmaceuticals Inc., USA

Diakron Pharmaceuticals Inc., USA was engaged in business of cardiovascular drug development.

iv. Orchid Europe Limited, United Kingdom

Your Company's subsidiary in Europe namely Orchid Europe Limited (OEL) was a wholly owned subsidiary. Post takeover by the new management, the requirement of continuing with this subsidiary by the Board and it was decided to the close it. Consequently, Orchid Europe Limited, a wholly owned subsidiary has been on dissolved on September 27, 2022.

Accordingly, Orchid Europe ceased to be wholly owned subsidiary of the Company w.e.f. September 27, 2022.

v. 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 windup this entity. The de-registration of this subsidiary has been initiated, approval is awaited as on date.

vi. Orchid Bio-Pharma Limited

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

In the matter, IFCI Limited vide its letter bearing reference IFCI/CASD/DoP/PLI220715016 approved the application under the PLI Scheme to Orchid Bio-Pharma Limited for manufacture of the product "7 ACA" with a committed capacity of 1000 Metric Tonn Per Annum and for a total incentive up to ₹ 6,000 million during the tenure of the scheme i.e., Fiscal 2024 till Fiscal 2029. The Company is in process of setting up a facility in Jammu for manufacturing 7ACA under the PLI Scheme.7ACA is a critical raw material for manufacturing cephalosporins and in-house production of 7ACA under the PLI scheme will enable us to do backward integration, achieve a captive source of supply and better gross margins.

Further, the Board of Directors of Orchid Bio-Pharma Limited at its meeting held on March 14, 2023 approved the increase of Authorized Share Capital of the Company from Rs. 10,000/- (consisting of 1,000 equity shares of Rs. 10/- each *to* Rs. 15,00,00,000/- (consisting of 1,50,00,000 equity shares of Rs. 10/- each), subject to approval of the shareholders. Consequently, the Shareholders' vide its Ordinary Resolution passed at the Extra-Ordinary General Meeting held on March 17, 2023 approved the increase in authorized share capital of the Company.

The Board of Directors of Orchid Bio-Pharma Limited at its meeting held on April 26, 2023, approve the issue and allotment of 1,49,99,000 (One Crore forty nine lakhs ninety nine thousand) equity shares of Rs. 10/- each on Right Issue basis to the Company

Basis the above, the Company holds 1,50,00,000 (One Crore Fifty Lakhs) including the 6 Shares held by Nominee shareholders of the Company. Therefore, the Company hold 100% paid share capital in Orchid Bio-Pharma Limited as on date of this Report.

The Company does not have any material subsidiary as on March 31, 2023.

B. Associate Company

Your Company had initially subscribed to equity shares constituting 26% of paid up equity share capital of M/s OrBion Pharmaceuticals Private Limited ("OrBion") by virtue of which the Company has become an Associate of your Company.

The total shares subscribed by your Company in OrBion as on March 31,2023 is 4,55,00,000 equity shares of Rs.10/- each constituting 26% of paid up equity share capital of M/s OrBion Pharmaceuticals Private Limited.

During the year 2022-23 percentage share of loss of your Company in the associates has reduced to (Rs. 2.15) crores from (Rs. 3.52) in the year of 2021-22.

C. Joint Ventures

As on March 31, 2023, your Company does not have any Joint Venture.

Highlights of the performance of subsidiaries and their contribution to the overall performance of the Company during the period under report

During the period under review, the subsidiaries including step down subsidiaries have not contributed much towards the consolidated sales of the Company.

The Board of Directors of the Company at its meeting held on May 22, 2021, had approved the closure/divestment of all subsidiaries including step down subsidiaries due to inoperative/lack of revenue and/or high expenses.

In view of the above, Orchid Europe Limited has ceased to be a wholly owned subsidiary of the Company w.e.f. September 27, 2022.The de-registration of Orchid Pharmaceuticals (South Africa) Proprietary Limited, South Africa has been initiated, approval is awaited as on date.

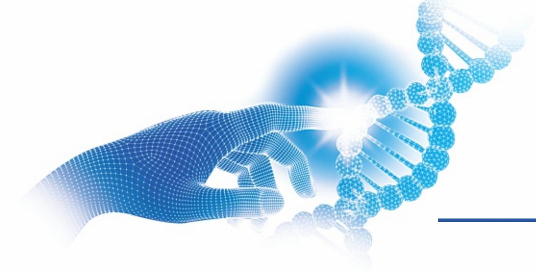
Further, steps are being taken to close/divest remaining subsidiaries (including step down subsidiaries).

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

As at 31st March 2023, the Board of the Company has seven Directors comprising of Managing Director, one Whole-Time Director, one Non-Executive Director and four Independent Directors (including a woman Director).



Following changes occurred in the directorships / key managerial positions (KMP) of the Company during the Financial Year 2022-23:

Sr. No.	Name of Director/key managerial positions (KMP)	Particulars of Change (Appointment / Resignation/Others)	Effective Date of change
1.	Mr. Arun Kumar Dhanuka	Ceased to be Non-Executive &Non-Independent Director due to his sad demise on January 30, 2023.	January 30, 2023
2.	Ms. Nikita K.	Resigned as Company Secretary and Compliance Officer w.e.f. July 22, 2022 due to personal reasons	July 22, 2022
3.	Ms. Marina Peter	Basis the recommendation of the Nomination and Remuneration Committee, the Board of Directors approved the appointment of Ms. Marina Peter as Company Secretary and Compliance Officer w.e.f November 14, 2022.	November 14, 2022

The Board expresses its heartfelt condolences on untimely demise of Mr. Arun Kumar Dhanuka (Non-Executive &Non-Independent Director) and wishes to put on record its sincere and deep appreciation for his invaluable guidance and contribution during his tenure. The Company immensely benefitted from his vision, enriched experience and leadership during his tenure on the Board of the Company.

In terms of Section 203 of the Act, following are the KMPs of the Company as on March 31, 2023:

1.	Mr. Manish Dhanuka	Managing Director
2.	Mr. Mridul Dhanuka	Whole Time Director
3.	Mr. Sunil Kumar Gupta	Chief Financial Officer
4.	Ms. Marina Peter	Company Secretary

Declaration of Independence by the Independent Director

All Independent Directors (IDs) have given a declaration that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16 of SEBI LODR Regulations. All the IDs of the Company have registered their names with the data bank of IDs maintained by the Indian Institute of Corporate Affairs (IICA). Further, in terms of Regulation 25(8) of the SEBI LODR Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situation which exist or may be anticipated, that could impair or impact their ability to discharge their duties. Further, in the opinion of the Board, Independent Directors qualify the criteria of Independent Director as mentioned in the Act and SEBI Listing Regulations and are independent of the management.

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 SEBI Listing Regulations diligently. Further, in the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

Director(s) 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, Mr. Mridul Dhanuka (DIN: 00199441), retires at the ensuing Annual General Meeting (AGM), and being eligible, offers himself for re-appointment. The Board recommends the re-appointment of Mr. Mridul Dhanuka.

A resolution seeking shareholders' approval for his re-appointment along with brief profile and other required details forms part of the Notice to the ensuing Annual General Meeting.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any

Annual Return

In accordance with Section 92(3) and section134 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, 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 on http://www.orchidpharma.com/downloads/annualreports/MGT%20-7/MGT-7%202022-23.pdf under the "Investors" section.

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) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true

and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) That the Directors had 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, 2023 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 (NRC Policy)

The Company has formulated the Nomination and Remuneration Policy in compliance with Section 178 of the Companies Act, 2013 read along with the applicable Rules thereto and Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. The objective of this policy is to ensure adequate and proper selection and appointment of Directors, Senior Management Personnel and Key Managerial Personnel. NRC Policy determines the criteria of appointment to the Board and is vested with the authority to identify candidates for appointment to the Board of Directors. In evaluating the suitability of a person for appointment / continuing to hold appointment as a Director, the NRC takes into account apart from others, Board diversity, person's eligibility, qualification, skills, expertise, track record, general understanding of the business, professional ethics, integrity, values and other fit and proper criteria. Based on recommendation of the NRC, the Board evaluates the candidate(s) and decides on the selection of the appropriate member. In case of re-appointment of any Board member, NRC basis evaluation scores of the concerned Board member pursuant to performance evaluation, recommends its decision to the Board to extend or continue the term of appointment of the Board members. Recommend to the board, all remuneration, in whatever form, payable to senior management.

The Policy is available on the website of the Company and the web-link for the same is- http://www.orchidpharma.com/downloads/Nomination%20and%20Remuneration%20Policy.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 the irrespective 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.

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. All Related Party Transactions are placed before the Audit Committee for approval as per the Related Party Transactions Policy of the Company as approved by the Board. The Policy is available on the website of Company and the web-link for the same is- http://www.orchidpharma.com/downloads/RPT.pdf

All the transactions entered with the related parties were in ordinary course of business and on arm's length basis.

The details of 'material' contracts or arrangements or transactions and in form AOC-2 is given in **Annexure VIII** to this report.

Corporate Social Responsibility (CSR)

As per Audited Annual Financial Results of the Company for the financial year ended March 31, 2023, the Company meet the thresholds as prescribed under Section 135 (1) of the Companies Act, 2013 and constituted the CSR Committee vide its Board resolution dated June 19, 2023. Board of the Company has approved the CSR policy which provides the overview of projects or programs and the guiding principles for selection, implementation and monitoring of the CSR activities which has been approved by the Board 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.

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, 2023 and till the date of this Report.

Conservation of Energy

Your Company has always been striving in the field of energy conservation. The management has been highly conscious of the importance of conservation of energy at all operational levels and efforts are made in this direction on a continuous basis. 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 Board of Directors of the Company has constituted a Risk Management Committee, responsible to manage uncertainties through identification, analysis, assessment, implementing, monitoring and periodically review the effectiveness of the risk management plan and make appropriate changes as and when necessary, to reduce the impact of risks to the business. The Risk Management Committee's role is aligned to the requirements of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulatory requirements. The Company has laid down procedures to inform the Board about the risk assessment and minimization procedures. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of this Report.

Annual Evaluation of Board, its Committees and individual Directors

In terms of provisions of the Companies Act, 2013and Regulation 17(10) read with Regulation 25(4) of SEBI Listing Regulations, the Board required to conduct an annual performance evaluation of its own performance, the performance of the Directors individually as well as the evaluation of the working of its Committees through questionnaire designed with qualitative parameters and feedback based on ratings.

In view of the above, 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, 2023. However, Company has received approval for manufacturing 1000MT per annual of 7ACA in its wholly owned subsidiary Orchid Bio-Pharma Limited. 7ACA is one of the key raw material of the company.

Change of Registered Office Address of the Company

Post end of the financial year March 31, 2023, the Board of Directors at its meeting held on July 12, 2023, approved shifting of the registered office of the Company from "Orchid Towers" 313 – Valluvar Kottam High Road, Nungambakkam Chennai – 600034 to Plot Nos. 121-128, 128A-133, 138-151, 159-164, SIDCO Industrial Estate, Alathur, Chengalpattu District-603110, Tamil Nadu, India. A resolution for seeking members' approval for this will be placed at the upcoming AGM.

Details regarding deposits, covered under Chapter V of the Act

During the Financial Year 2022-23, your company did not accept any deposits within the meaning of Section 73 of the Companies Act, 2013read 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.

Vigil Mechanism/Whistle Blower Policy

Your Company has established a vigil mechanism under Section 177(9) of the Act and Regulation 22 of SEBI Listing Regulation which enables the Directors & the Employees report genuine concerns. The Company encourages its employees who have concerns about unethical practices, fraud and mismanagement, actual or suspected fraud or violation of the Company's code of conduct or ethics policy and any leak/suspected leak of Unpublished Price Sensitive Information or gross misconduct by the employees of the Company, if any, that can lead to financial loss or reputational risk to the organization, 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%20%20Whistle%20Blower.pdf

During the year under review, no complaint pertaining to the Company was received under the Whistle Blower mechanism.

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 Company has in place Prevention of Sexual Harassment at Workplace Policy in line with the requirements of The Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder. An Internal Complaints Committee (ICC) is in place as per the requirements of the said Act to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No case has been reported during the year under review.

The details pertaining to captioned header are disclosed in the Corporate Governance Report which forms part of this Report.

Code of Conduct on Prevention of Insider Trading

Pursuant to SEBI (Prohibition of Insider Trading) Regulation 2015, as amended, 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. All the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as on March 31, 2023.A declaration to this effect, duly signed by Managing Director, is annexed and forms part of this Annual Report.

Copy of the Code is also available on the website of the Company at http://www.orchidpharma.com/downloads/codeofconduct/Code%20of%20Conduct%20on%20Prevention%20of%20Insider%20Trading%20Regulations.pdf

Further details on the same are covered in the Corporate Governance Report, which forms part of this Annual Report.

Environment

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

Waste Water Treatment

Low TDS effluent is collected, equalized and neutralized into neutral pH and treated aerobically by Membrane Bio Reactor process comprising of aeropac equipped with jet aeration system made up of Glass Fibre Reinforced Plastic / Original Hydrodynamic Aerators & Ultrafiltration System loaded with ceramic membrane (aluminum zirconium). The permeate from ultrafiltration passes through reverse osmosis to separate inorganic salts. The permeate of reverse osmosis is utilized in the cooling towers as make up water. The reject from the reverse osmosis plant is mixed with high total dissolved solids effluent for further treatment. The excess bio mass from the aerobic system is centrifuged and sent to bio composting process to convert into useful manure.

High TDS effluent is collected and neutralized into neutral PH. This effluent is sent to Mechanical Evaporators (Single stage, three stage and five stage) to concentrate the salts to the level of 35%. Heat energy is recovered during the process of evaporating the effluent and the recovered heat energy is utilized to reduce the energy consumption. The concentrate from the evaporators are sent to Agitated Thin Film Dryers (ATFD) where it gets dried and the dried salt is collected at the bottom of ATFD. The collected salt is bagged, stored in protected storage sheds and disposed at Government approved Treatment Storage & Disposal Facility (TSDF).

Waste Air Treatment

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

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

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

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

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

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

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

Hazardous waste Management

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

Bio composting

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

World Environment Day Celebration

World Environment Day was celebrated on 6th June 2022 by planting trees with in our factory premises to create awareness on environment among employees.

Safety

Orchid is highly committed to Safety, Health and Environment aspects. There is 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. To reinforce that Safety observation & Audit (SOA) – Lead indicator, become key focus area always in our Central Safety Committee meetings. CSC continues to meet every month review critical concerns on Safety and also provides directions to minimize the risks at all levels.

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 behavioral change, making FY 2022-23 a zero-reportable-incidents year. By applying risk assessment like Hazop study, Pre startup safety review, Job safety Analysis, technologies at work on chemicals and process, we ensured that highest workplace safety standards were implemented across the manufacturing value chain.

Orchid also believes continuous learning is the critical element in Safety Management. Hence, various training programs have been conducted in the year 2022-23 to reinforce the safe behaviour and also to enhance the necessary skills to perform the job safely. We organized close to 6600 man hours of training for our employees across 90 sessions covering Chemical safety- SDS, Work Permit System, Fire prevention and mitigation, Emergency preparedness, First aid and Process Safety Management. As a part of our commitment to enhance employee awareness on EHS-related matters, several awareness campaigns and safety exhibition were held around National Safety Week, Fire Services Week, World Health Day. The company exhibits various safety modules at state level exhibition conducted by Tamil Nadu Government. Also conducting safety awareness program to the nearby community and educational sectors as a part of Corporate Social Responsibility.

Emergency response planning are critical component of our EHS management system. We have a well-trained emergency response team (ERT) and advanced fire protection systems to respond quickly to emergencies. During the year, several EHS training workshops were held to augment the ERT's efficiency to ensure swift response during any emergency.

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 cs@orchidpharma.com.

Remuneration paid to Executive Directors

During the year under review, remuneration received by Shri Manish Dhanuka, Managing Director and Shri Mridul Dhanuka, Whole time Director of your Company for the financial year ended

March 31, 2023 is as under:

(Amoutn in Rupees)

Name and Designation of the Director	Salary &Perquisites	Bonus	Commission payable	Others	Total
Shri Manish Dhanuka Managing Director	80,50,503.00	10,000.00	37,50,000.00	Nil	1,18,10,503.00
Shri Mridul Dhanuka Whole Time Director	80,50,503.00	10,000.00	37,50,000.00	Nil	1,18,10,503.00

Special resolution seeking approval of members for remuneration to be paid to the MD and WTD for remaining tenure of their appointment will be placed at the ensuing AGM in terms of Schedule V of the Companies Act, 2013.

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

Particulars of Loans, Guarantees or investments as required under Section 186 of the Companies Act, 2013 are provided in the Note no. 6&15 to Standalone financial statements for the financial year 2022-2023.

Listing on Stock Exchanges

The equity shares of your Company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).The annual listing fees for the year 2023-24 have been paid to both the Stock Exchanges.

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.

Suspension of Trading

The Securities of the Company were not suspended from trading during the year under review. With effect from November 15, 2021, total outstanding 14,803 Global Depository Receipts of the Company were delisted from London stock exchange and Luxembourg stock exchange.

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

Not Applicable to the company.

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

Not Applicable to the company.

Statutory Auditors

In terms of the provisions of Section 139 of the Companies Act, 2013, M/s Singhi & Co., Chartered Accountants,(Firm Registration No. 004915S),were appointed as our Company's Statutory Auditors pursuant to a resolution adopted by our Shareholders at the AGM held on July 15, 2022 for a period of five years, from Fiscal 2023 to 2027. The Audited Consolidated Financial Statements have been prepared in accordance with the Companies Act, 2013.

The financial statement for Fiscal 2023 have been audited by M/s Singhi & Co., Chartered Accountants, and the financial statements for Fiscal 2022 and 2021 were audited by our previous statutory auditors, M/s. CNGSN & Associates LLP who were appointed for a period of five years from Fiscal 2017 to Fiscal 2022.

Auditors' Report

The Auditors have audited the standalone and consolidated financial statements of the Company for the financial year ended March 31, 2023. Auditors Report on Standalone Financial Statement is with un-modified opinion and Auditor Report on Consolidated Financial Statement is with modified opinion. The detailed report of the Statutory Auditor forms part of this Integrated Report and Annual Accounts 2022-23.

Details of Fraud Reportable by Auditor

During the year under review, neither the statutory auditors nor the secretarial auditors of the Company has disclosed any instance of fraud committed against the Company by its officers or employees required to be disclosed in terms of Section 143(12) of the Act.

Secretarial Auditor

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors appointed M/s S Dhanapal & Associates (Practicing Company Secretaries) to conduct the Secretarial audit of your Company for the Financial Year 2022-2023. The Secretarial Audit Report in form MR-3 is forming part of this Annual Report **(Annexure VI)**.

Basis the recommendation of the Audit Committee, the Board has re-appointed M/s S Dhanapal & Associates LLP (Practicing Company Secretaries), as Secretarial Auditors of the Company for the Financial Year 2023-24.

Explanation to the Audit qualifications:

The explanation to the Audit Qualifications for the financial year ended March 31, 2023 are given in **Annexure IX** to this report.

In terms of Regulation 24A of the SEBI Listing Regulations, there

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

Annual Secretarial Compliance Report

In terms of Regulation 24A of the SEBI Listing Regulations, the Annual Secretarial Compliance Report for the financial year 2022-23 has been filed with Stock Exchanges and the same is available on the website of the Company at http://www.orchidpharma.com/downloads/Annual%20Secretarial%20Compliance%20Reports/ORCHPHARMAANNUALSECRETARIALREPORT2023.pdf

Compliance with the provisions of Secretarial Standards Issued by Institute of Company Secretaries of India

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 Financial Year 2022- 23, 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 2022-2023 will be filed with the Central Government within the stipulated timeline.

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 10,2023, 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 year2023-2024ataremunerationofRs.2,50,000/-(Rupees Two Lakhs and Fifty Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses. A certificate from the Cost Auditors, certifying his independence and arm's length relationship has been received by the Company.

As per provisions of Section148of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditors is required to be approved by the members in a General Meeting. Accordingly, a resolution seeking members' ratification for the remuneration payable to Shri J Karthikeyan, Cost Accountants is included in the notice convening the AGM.

Other disclosures

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

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

**The Board of Directors at its meeting held on June 27, 2023, approved the allotment of 99,02,705 Equity Shares on Qualified Institutional Placement basis in accordance to the SEBI (Issue of Capital and Disclosure Requirement) Regulations read with applicable provisions of Companies Act 2013. Pursuant to the said allotment of Equity Shares, the paid-up equity share capital of the Company stands increased from ₹ 408,164,000 comprising of 40,816,400 Equity Shares to ₹ 50,71,91,050 comprising of 5,07,19,105 Equity Shares as on date of this report.*

Acknowledgements

The Board is grateful and thankful to all the Banks, Financial Institutions both in public sector and in private sector who have fully supported your Company's initiatives. The Board is grateful to the Central and State Government and the Central Drugs Standard Control Organization and State Food Safety and Drugs Administration (State FDAs) for their continued 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

Sd/-
Manish Dhanuka
Managing Director
DIN:00238798

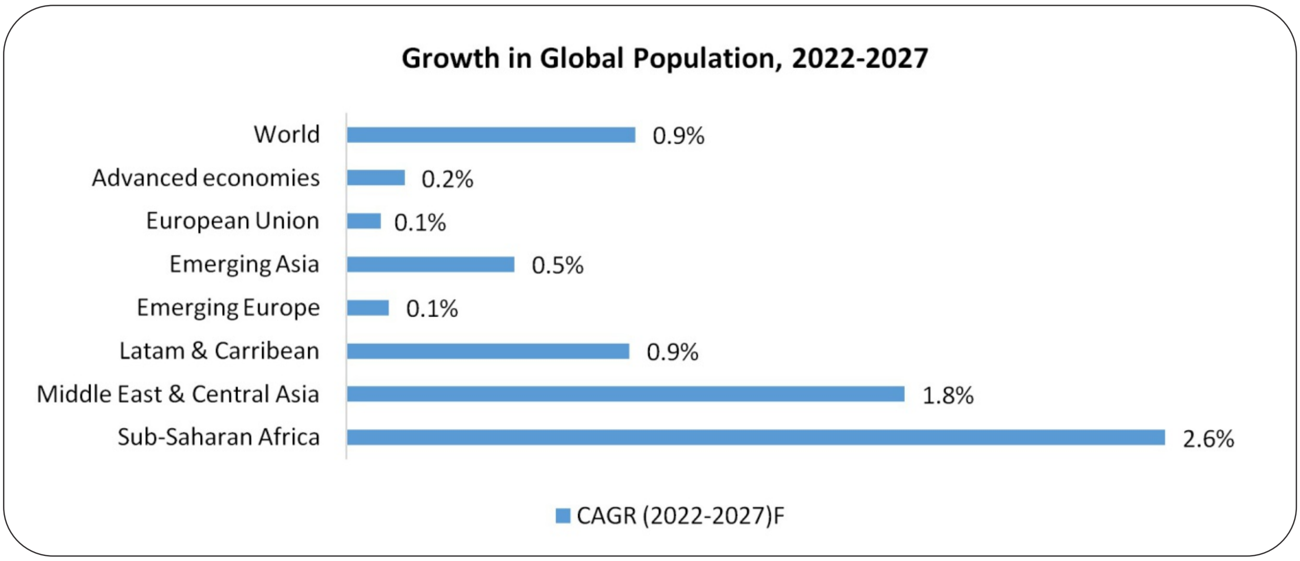
Sd/-
Mridul Dhanuka
Whole Time Director
DIN:00199441

Place: Gurugram
Date: July 12, 2023

Management Discussion and Analysis

1. INDUSTRY STRUCTURE AND DEVELOPMENTS:

The world population has tripled since the 1950s and continues to increase. Populous middle-income countries account for the lion's share of the growth in world population between 2010 and 2025. And if the current trend continues, the majority of the next billion will be born in low- and middle-income countries. With a population of 1.39 billion in 2021, India is the second-most populous country in the world. The population is estimated to grow at a CAGR of 0.9% from 2022 to 2026, replacing China as the most populous country. African countries are forecasted to witness a CAGR of 2-4% between 2022 and 2027, where the prevalence of infectious diseases is high. It is expected that Asia and Africa will witness the addition of 600 million people in the current decade.

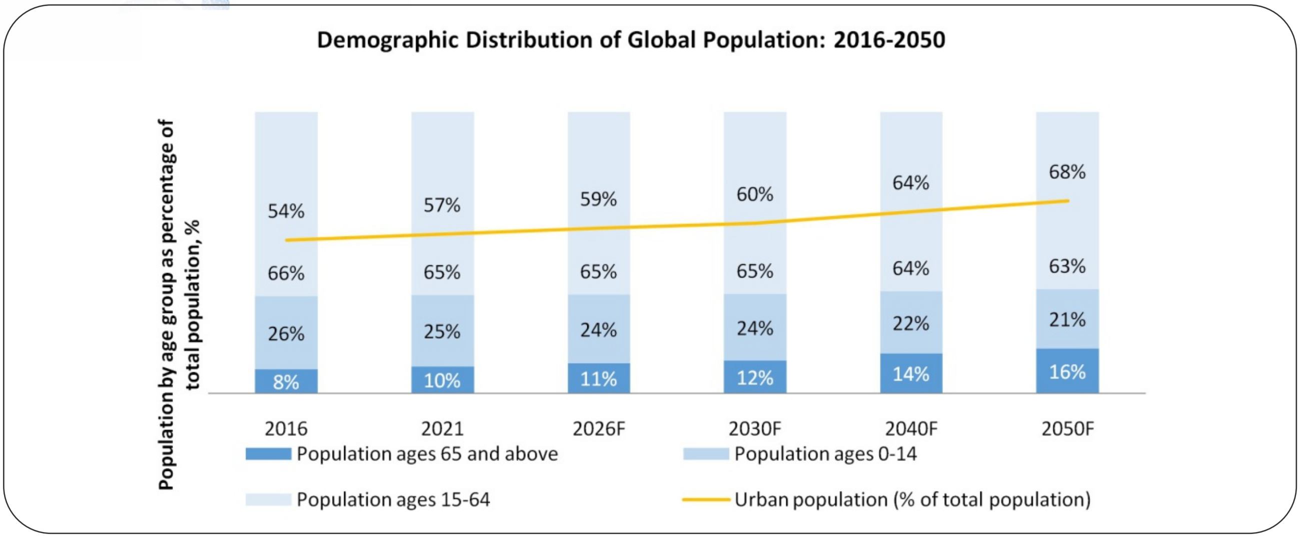


Source: UNDP World Population Prospects- 2022, Frost & Sullivan
Note: 2022-2027 data is forecasted

Simultaneously, with a growing population and increasing life expectancy, there is also a growing burden of the aging population with higher healthcare needs. The aging of the population increases the prevalence of acute and chronic illnesses and drives pharmaceutical consumption. As per United Nations, the global number of people aged 65 years and above is expected to double in 30 years, increasing to 1.5 billion by 2050. This population group is witnessing a faster growth rate than younger age groups globally, resulting in 16% of the total population in 2050 as opposed to 8% in 2016.

Economic prosperity is also linked to urbanization to a certain extent. According to The World Bank, in 2021, nearly 57% of the world's population lived in cities, up from 54% in 2016. This growth in urbanization is expected to continue. By 2050, with the urban population, more than doubling its current size, nearly 7 of 10 people (~70%) will live in cities. However, urbanization also brings healthcare challenges such as pollution-related respiratory problems, sedentary lifestyle-related chronic diseases, and high population density-associated infectious disease spread. It will lead to added healthcare and pharmaceutical expenditure. It is also reflected in the growth in global healthcare expenditure, which has risen from 9.3% of GDP in 2013 to 9.8% of GDP in 2019.

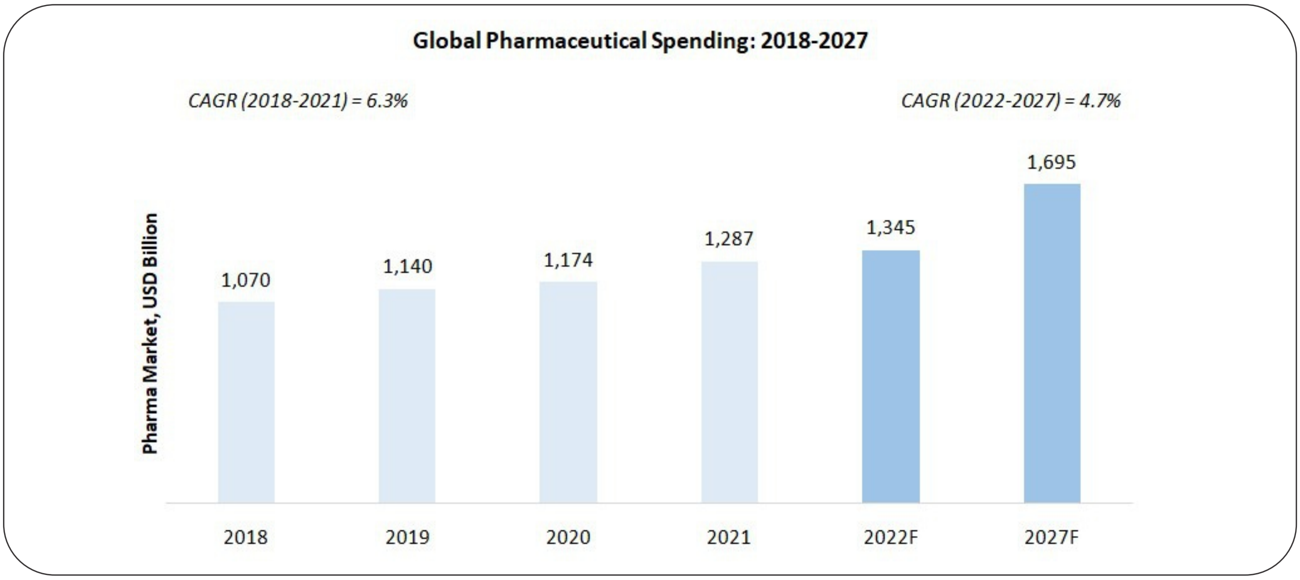
[1] Population Estimates and Projections- The World Bank
[2] Study on Real GDP growth rates and healthcare spending – comparison between the G7 and the EM7 countries, by Jakovljevic et al
[3] OECD Data



Source: The World Bank Data, Frost & Sullivan
Note: 2026-2027 data is forecasted

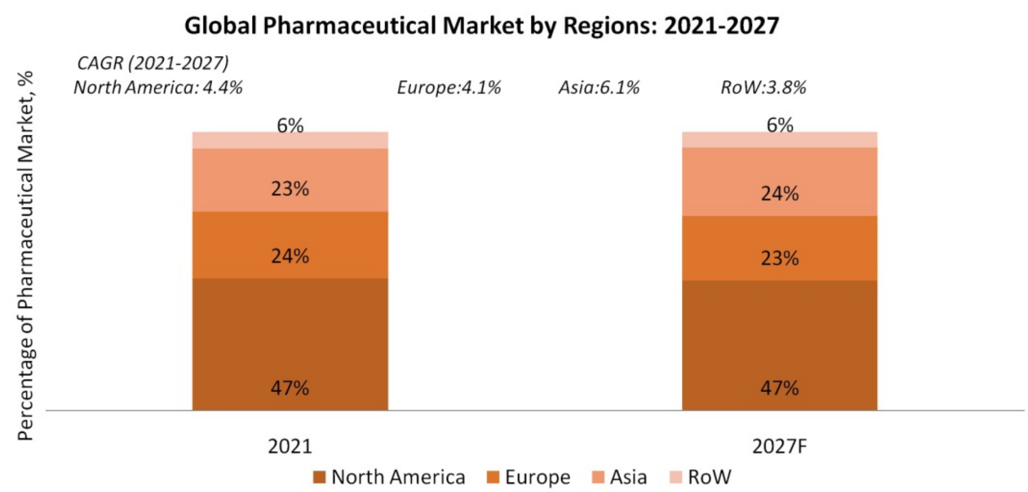
2. Economic Overview: Global Trends

As economies and per capita spending power grows, demand for quality healthcare increases, healthcare infrastructure & insurance mechanisms expand, and COVID-19-induced health-oriented behaviours persist- the spending on pharmaceutical products can also be expected to grow. Aside from economic and behavioural changes, the growing burden of aging populations, chronic diseases, and the discovery of new drugs &disorders will also drive the demand for medicines. In addition, to innovation and growing disease burden, exclusivity losses leading to the introduction of low-cost generics in the market, are making drugs more affordable for the larger population, and improved healthcare services with better accessibility are leading to increased treatment rates, thus cumulatively propelling the pharma market growth.



Source: Evaluate Pharma, Pharma project, Country data from government websites, Frost & Sullivan
Note: 2022-2027 data is forecasted

The overall pharmaceutical spending grew from USD 1,070 billion in 2018 to USD 1,287 billion in 2021 at a CAGR of 6.3%. During the pandemic, there were minor aberrations mainly due to supply chain disruptions and challenges in accessing healthcare facilities. However, the negative impact was offset by increased spending on COVID-19 therapeutics, keeping the market growth upward. Beyond 2021, the global pharma market is expected to grow at a CAGR of 4.7% till 2027, reaching USD 1,695 billion.



Source: Evaluate Pharma, IQVIA- Global Medicines Spend 2023, Frost & Sullivan
Note: Numbers rounded-off and therefore may not add up to 100%

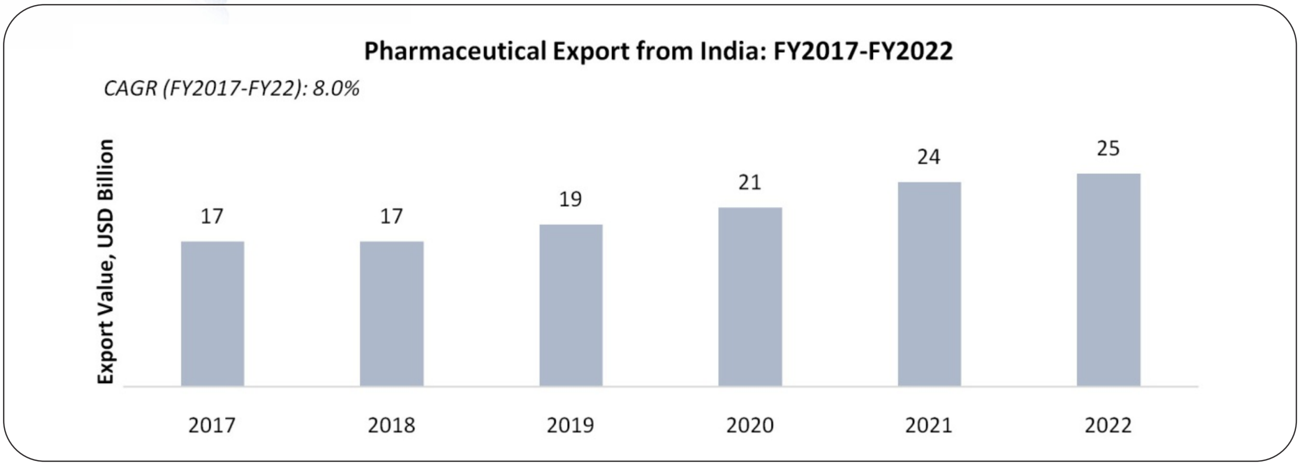
North America dominates the global pharmaceutical market accounting for 47% of the total sales value, followed by the European region accounting for nearly 24% of the market in 2021. This dominance is largely owing to high healthcare expenditure in the US and high R&D investment in new therapies and products. Europe, too, has been a destination for R&D and the launch of new medicines and additionally benefits from broad reimbursement coverage and high treatment rates. However, the fastest-growing markets are the emerging markets across the Asia Pacific (APAC), Latin America, and the Rest of the World (ROW). These markets have benefitted significantly from the availability of generics. At the same time, the overall population size, growing affluence, and spending power of both the governments (public health spending) and the population (private health spending), increasing life expectancy, and increased demand for quality healthcare services/products have encouraged pharma market growth in the regions.

Consequently, while North America will retain its dominant position with almost 47% market share during the forecast period, the fastest growth is expected in African & Middle Easter, Latin American, and Asia Pacific markets, breaching a CAGR of 7.0% between 2022 and 2027.

3. Economic Overview-India

Increased demand for pharmaceutical treatments is putting financial pressure on healthcare systems, thus accelerating the adoption of low-cost generics; a large part of global generics demand is met by India- rightfully crowned as the pharmacy of the world.

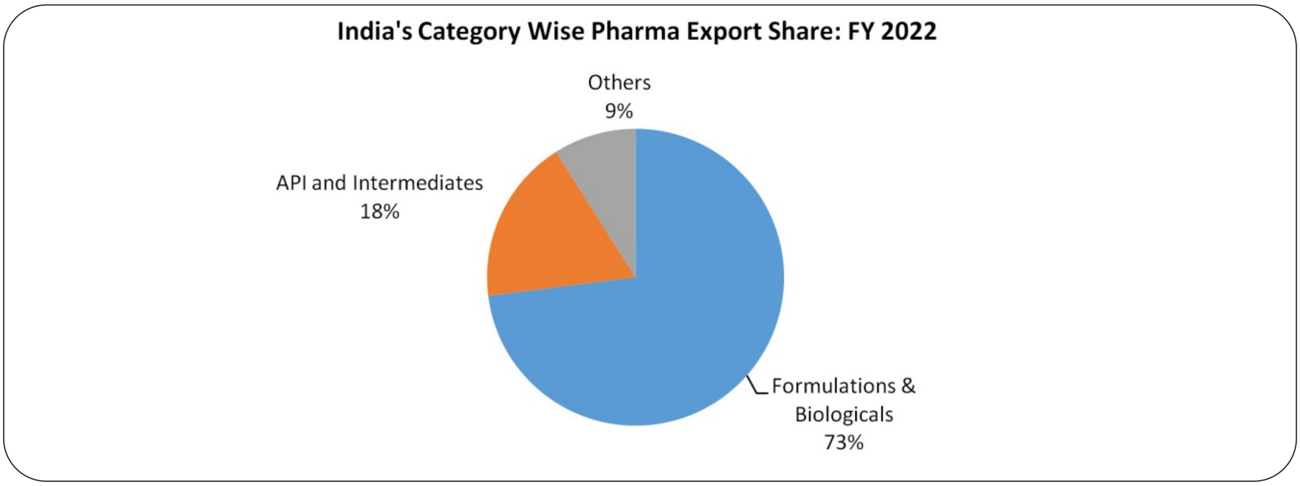
India is crowned as the pharmacy of the world and is a crucial supplier of generic drugs. India supplies almost 40% of the total US generic drug (formulation) demand and addresses as much as 25% of the total drug demand in the UK. India also accounts for 60% of global vaccine production, contributing 40% to 70% of the WHO demand. According to IBEF,India exports pharmaceuticals to more than 200 countries and territories and ranks third worldwide for pharmaceutical production by volume and fourteenth largest by value. This success can be attributed to the advanced capabilities in formulation manufacturing, the capability to meet global standards, and proactive government support in realizing the "Make in India" goal. As a result, India's pharmaceutical exports have increased by almost 1.5x between 2017 and 2022. Moreover, the country emerged as a key supplier during the pandemic as China-based suppliers struggled with reduced production and supply chain issues, thus cementing its position as a reliable global supplier.



Source: IBEF, Frost & Sullivan

While India's growth trajectory in formulations is well carved out, and the segment accounts for ~73% (in FY 2022) of the pharma export share, there are opportunities to address bottlenecks in raw material (API and KSM) manufacturing and replicate the success to expand its current share of ~18% (in FY2022) in the pharma exports.

Conducive government policies such as the Production Linked Incentive (PLI) scheme are providing the necessary fillip to the API & intermediates segment to address bottlenecks in raw material manufacturing at competitive prices to revive the API & intermediates segment. In tandem, companies in India have also proven their prowess in creating the necessary world-class infrastructure to meet global demands while delivering high quality at affordable prices.



Source: IBEF, Frost & Sullivan

4. OPPORTUNITIES AND THREATS

Coming out of the global COVID-19 pandemic, the future holds both opportunity and increased complexity for the pharmaceutical industry. As COVID-19 transitions to an endemic virus, policy changes emerge, and economic factors continue to put pressure on revenue and margins, there are many important issues for pharma to watch in the near future.

A. Opportunities of Pharmaceutical Industry

i. Government support: The Indian government has also undertaken several policy initiatives to boost the sector. Some notable initiatives include: The new National List of Essential Medicines was released in September 2022 after a gap of seven years, with the intent to promote the rational use of medicines based on cost, safety and efficacy. It is also the factor for which the industry is flourishing to this day. The laws and taxes are often in their favour.

ii. Growing space: This industry is still in its growing phase, according to the Life Cycle of an Industry. So, it can still go a long way and spread its wings further apart. So, it can still take control over the market, given the right marketing and advertising.

iii. Foreign investment: Per India's Consolidated FDI Policy, foreign direct investment in the pharmaceutical sector in greenfield (new) projects is permitted up to 100% without the approval of the Department of Pharmaceuticals (the "DoP"). Separately, FDI up to 100% is permitted for the manufacturing of medical devices for both greenfield and brownfield projects without the approval of the DoP.

iv. Continued Rise of Digital Health: The rise of digital health technologies will transform the pharma industry. Patients will be able to monitor their health remotely through telemedicine and wearables. This technology will also provide valuable data for pharma companies to develop more effective treatments.

v. Patents: The pharmaceutical industry develops new and effective medication. If one company creates it, it can patent that product itself and earn a handsome amount of profit. This gives the industry a chance to grow.

vi. New models of care delivery: Patient care no longer happens exclusively in hospitals and doctor's offices. Walmart, CVS, Walgreens, and other national retail chains are increasingly getting into the business of patient care and community health.In response, the healthcare industry is becoming increasingly verticalized: organizations at different levels of the supply chain are creating alliances in an effort to enhance delivery. These alliances create the opportunity to offer a greater number of patient services, increase access to care and therapies, and lower the cost of delivery. But while vertical integration has many potential benefits to pharma companies and patients alike, it comes with costs and risks like any other business venture.

B. Pharmaceutical Industry Threats

i. Demand for a skilled workforce: The pharmaceutical industry requires a workforce that has significant knowledge, experience, and skills. Training the workforce helps to acquire the necessary skills to ensure, enhance and improve their participation in their daily tasks. This will also help to fill in any skills gaps that may be observed in the workforce.

ii. Supply chain disruption: Supply chains have witnessed an unprecedented disruption all around the world, and this represents one of the major challenges facing the pharmaceutical industry. Pharmaceutical industry have faced supply chain disruptions, Many pharma companies are looking to supply chain innovations and circular supply chain models to tackle these challenges and build business resilience.

iii. Regulatory compliance: Pharmaceutical companies must comply with various regulations, from clinical trial requirements to manufacturing and distribution standards. Keeping up with these regulations can be daunting, and failure to comply can result in costly fines and reputational damage.

iv. R&D Costs: Developing new drugs and treatments is an expensive and time-consuming process. With rising R&D costs and increasing pressure to deliver results, pharmaceutical companies must be able to streamline their research processes and optimize their resources.

v. Intellectual property

The pharmaceutical industry is highly competitive, and intellectual property is critical to the success of any company. Protecting and enforcing patents can be a complex and costly process, and the threat of patent infringement is a constant concern.

vi. Pricing pressure

Pharmaceutical companies face increasing pressure to control the cost of their products, both from government regulators and consumers. This pressure can lead to lower profit margins and increased competition, making it harder for companies to invest in R&D and bring new products to market.

vii. Supply chain management

The pharmaceutical supply chain is complex and highly regulated, with multiple stakeholders involved in drug production, transportation, and distribution. Ensuring the safety and quality of pharmaceutical products at every stage of the supply chain is essential but can be challenging.

5. SEGMENT WISE / PRODUCT WISE PERFORMANCE:

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

Financial Year	Oral		Sterile	
	Quantity (Per MT)	Value (Rs in Lakh)	Quantity (Per MT)	Value (Rs in Lakh)
2021-22	239.32	37299.72	135.13	18821.00
2022-23	260.64	44,436.43	113.64	20,645.69

6. OUTLOOK

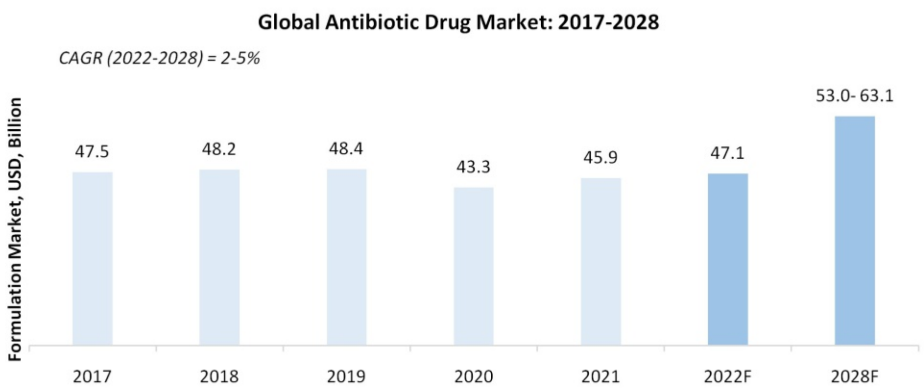
API manufacturing

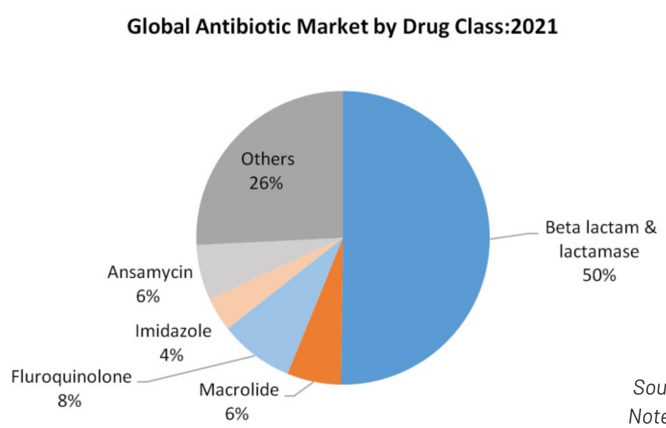
API is an important segment of the Indian pharma industry, contributing to around 35% of the market. The Indian pharmaceutical industry is the 3rd largest in terms of volume and 13th largest in terms of value, globally is being bolstered by some of the major factors such as the increasing incidence of chronic disease, & proliferating importance of generics, advancements in API manufacturing, and rapid growth of the biopharmaceutical sector. Furthermore, with the highest number of US FDA- approved plants, an estimated 665, occupying forty-four percent of global abbreviated new drug applications, the API industry's growth in the country has been fuelled by adopting global standards establishing large-scale/extensive manufacturing plants in India. There is a growing investment in R&D for API production processes, as well in quality, environment and safety, resulting in better, safer and cleaner technologies and substantial increase of pharmaceutical technology know-how and intellectual property Companies should increase their size to face global competition. Mergers and acquisitions are taking place in order to pursue globalisation projects. API manufacturers ask for global harmonised regulations with an increasingly strong relationship between the EU and the USA.

Due to the competitive pricing offered by Chinese suppliers, in the last few years, the Indian API industry has been dependent on China for imports of APIs and advanced API intermediates. It is significant to note that the percentage of API imports from China has spiked from around 1% in 1991 to around 70% in 2019, primarily backed by large-scale manufacturing incentives and state-driven subsidies offered in China to promote exports.

7. GLOBAL ANTIBIOTIC MARKET

Antibiotics are lifesaving drugs with continued demand from emerging and developed markets alike and the segment is expected to witness a growth of 2-5% in the next five years.





Source: Evaluate Pharma; Frost & Sullivan
Note: 2022 and 2028 values are forecasted

The global antibiotic market size was USD 47.5 billion in 2017. The global impact of COVID-19 has been unprecedented and staggering, with antibiotics witnessing a negative impact on demand across all regions amid the pandemic resulting in a deviation from its growth trajectory. The global antibiotics market is projected to grow from USD 47.1 billion in 2022 to USD 62.8 billion in 2028 at a CAGR of 2.5% from 2022 to 2028. The rise in CAGR is attributable to the continued demand for antibiotics to pre-pandemic levels and growing demand from emerging markets with expanding healthcare access.

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

8. RISKS AND CONCERNS

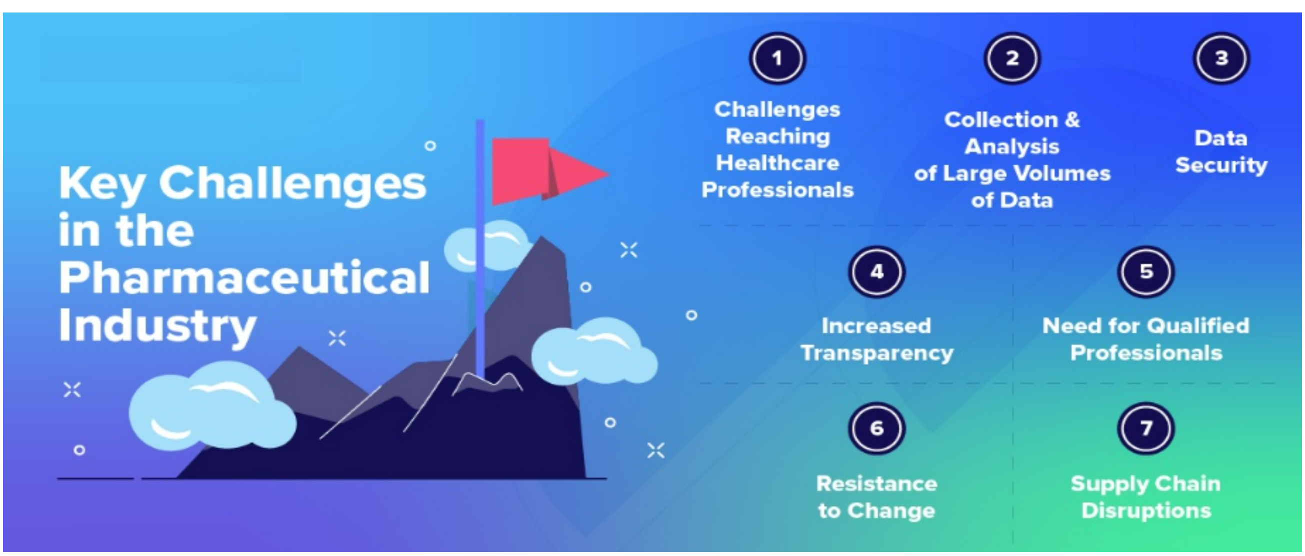
The Company is subject to extensive government regulation both in and outside India like maintain or renew statutory and regulatory licenses, permits and approvals required to operate business.

Manufacture, storage and supply of oral and sterile cephalosporin APIs is a complex process and requires to maintain the quality of sterile APIs manufacture at all stages.

The Company rely extensively on its operational support systems, including quality assurance systems, quality control systems, products processing systems and information technology systems, the failure of which could adversely affect business.

Company's ability to adopt new technology to respond to new and enhanced products poses a challenge in the business. The cost of implementing new technologies for Company's operations could be significant and could adversely affect business.

Other than the above, some risks in the business are given below:



Source: https://viseven.com/pharmaceutical-industry-challenges/

9. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

10. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Profitability

✓ **From Continuing Operations**

- During the year ended on March 31, 2023, the EBITDA of the Company was at Rs.103.05Crore as against EBITDA of Rs.66.26 Crore during the previous year ending on March 31, 2022.
- The net profit of the Company before Extra-ordinary items & Tax for the year ended on March 31, 2023 stood at Rs.16.04 Crore as against loss of Rs.52.77 Crore during the previous year ending on March 31, 2022.

✓ **From Discontinuing Operations**

- The net Profit of the Company from IKKT division for the year ended on March 31, 2023 stood at Rs.38.15 Crore as against net profit of Rs.47.96 Crore during the previous year ending on March 31, 2022.

✓ **EPS for Company**

- EPS for the year ending on March 31, 2023 (before extra-ordinary items) stood at a positive Rs. 13.28 as compared to a negative Rs. 1.18 for the previous year ending on March 31, 2022.

Components of Revenue & Expenditure

✓ **From Continuing Operations**

- The operating revenues for the year 2022-23 was Rs.665.90 Crore as against Rs. 556.97 Crore during the previous year ending on March 31, 2022.
- Material cost for the year ended March 2023 was Rs. 406.09 Crore (60.9% of the Operating revenues) as compared to Rs. 336.80 Crore (60.5% of the Operating revenues) during the previous year ending on March 31, 2022.
- The other operating cost, including employee cost for the year ended March 2023 was Rs. 197.66 Crore as against Rs.185.64 Crore during the previous year ending on March 31, 2022.
- The Finance cost for the year ended March 2023 was Rs. 32.23 Crore as compared to Rs. 32.01 crore during the previous year ending on March 31, 2022.
- The Depreciation & Amortisation for the year ending March 2023 was Rs.54.79 Crore as compared to Rs. 87.02 Crore during the previous year ending on March 31, 2022.

✓ **Balance Sheet**

- The Equity and Reserves as at March 31, 2023 stood at Rs.731.96 Crore as compared to Rs. 677.95 Crore as at March 31, 2022.
- The total borrowings as at March 31, 2023 stood at Rs.331.35 Crore as compared to Rs. 267.95 Crore as at March 31, 2022.

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

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

12. 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 2022-23 and FY 2021-22 (Continuing Operations)		
Particulars	**FY 2022-23**	**FY 2021-22**
Debtors Turnover Ratio:		
Sales for the year (manufacturing sales)	655.61	553.49
Debtors at the beginning of the year	241.18	199.18
Debtors at the end of the year	294.04	241.18
Average Debtors for the year	267.61	220.18
Debtors Turnover Ratio	2.5	2.5
Inventory Turnover Ratio		
Cost of goods sold	384.62	314.07
Opening Inventory	169.12	147.12
Closing Inventory	225.27	169.12
Average Inventory	197.19	158.12
Inventory Turnover Ratio	2.0	2.0
Interest Coverage Ratio		
EBITDA	103.05	66.26
Interest Expenses	32.23	32.01
Interest Coverage Ratio	3.2	2.1
Current Ratio		
Current Assets at the end of the year	493.79	383.07
Current Liabilities at the end of the year	326.63	193.83
Current Ratio	1.5	2.0
Debt Equity Ratio		
Total Debts at the end of the year	331.35	267.95
Shareholders' equity at the end of the year	731.96	677.95
Debt Equity Ratio	0.45	0.40
Operating Profit Margin (%)		
Operating Profit	83.62	57.26
Net Sales	665.90	556.97
Operating Profit Margin%	12.56%	10.28%
Net Profit Margin (%)		
Profit / (Loss) before exceptional items and tax	16.04	-52.77
Net Sales at the end of the year	665.90	556.97
Net Profit Margin% before exceptional and discontinuing operations	**2.41%**	**-9.47%**

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

Return on net-worth improved to positive of 2.27% during the FY 2022-23 compared to the negative of -7.76% of the previous year.

Improvement has occurred due to current year's profits compared to last year losses due to the turnover increase and overall operational expenses were reduced during the year as compared to last year.

Annexure I to the Board's Report
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.

- Installed new energy efficient Chiller with VFD for PH-27 plant – New Chiller is consuming 0.56kw/TR against existing Chillers of 0.7kw/TR. This can reduce power consumption by 3.7Lacs units/annum
- Permeate water temperature reduction to reduce CT19 power consumption – This proposal reduces 3Lacs units/annum
- Heat recovery system in Ecology plant – This proposal reduces 8.2Tons/day of steam consumption.
- Installed hydrodynamic aerators in ETP to reduce aerator pump power consumption – This proposal eliminated electrical driven aerator pump power by 65700units/annum.

Due to the various energy conservation activities implemented, mentioned in (a) above, there was a reduction in power consumption by around 2015 Units per day leading to a saving of around Rs.51.5Lakhs annually with an investment of Rs.122Lakhs.

(b) Proposed energy conservation measures

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

- Installation of new energy efficient Chiller for Utility 3 plant.
- Proposing to stop high power consuming air cooled chiller with water cooled chiller.
- Installation of brine concentrator in ETP to reduce Ecology heat energy consumption.
- Installation of Steam turbine to generate power instead of reducing steam pressure in pressure reducing valve
- Installation of energy efficient Centrifugal air compressor
- Installation of VFD for cooling tower fans

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.452Lacs annually with the investment of Rs.393 lakhs.

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

- Rice husk trial taken in boiler as an alternate source for coal
- The captive Solar Power purchase of 14 MW DC with an equity investment of Rs.4.2 Cr has yielded annual saving of Rs.5.7Cr compared to the cost of Electricity Board Power.
- Sourcing of Power from Third party Cogeneration plant has resulted in annual saving of Rs.1.5 Cr compared to Board Power cost.
- Power Purchase agreement had been made to source Wind cum Solar Power for an annual energy consumption of 180 Lacs units per annum which is expected to be commissioned from Sep'2023.

(d) Capital Investment on Energy Conservation Equipment:

Rs.122 Lacs of capital investment was made on energy conservation equipment during the Financial Year 2022-23.

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

Sd/-	Sd/-
Manish Dhanuka	**Mridul Dhanuka**
Managing Director	**Whole Time Director**
DIN:00238798	**DIN:00199441**

Place: Gurugram
Date: July 12, 2023

Annexure II to the Board's Report
Technology Absorption

I. Chemistry & Technology Development

Chemistry & Technology Development (CTD) Centre is also called R&D. A specialized department is responsible for developing new technologies and techniques for the manufacturing process for new Cephalosporin both oral & injectable APIs.

Orchid's expertise encompass the entire spectrum of Pharmaceutical R&D

1. Synthesis R&D
2. Analytical R&D
3. Intellectual Property Management

All these combined; give us the strength and ability to file First to File Para- IV applications for US and other regulatory markets.

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

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

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

II. Expenditure on CTD

The CTD outlay was as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Capital	Nil	Nil
b) Recurring	636.21	662.63
c) Total	636.21	662.63
d) Total R & D expenditure as a percentage of the total turnover	0.96%	1.18%

III. Technology absorption, adaption and innovation

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

Orchid's CTD has successfully developed non-infringing process for Avibactam Sodium,-one of the Beta-Lactamase Inhibitor.

In addition, completed the development work for the manufacturing technology for a new 5th generation antibiotic to fulfil the global requirement.

Orchid's New Drug Discovery & Formulation team had developed novel combination drug Enmetazobactam is a novel penicillanic acid sulfone ESBLs, an extended spectrum beta-lactamases inhibitor with the 4th generation cephalosporin antibiotic Cefepime Hydrochloride to provide a "novel therapeutic option addressing serious threat of Antibiotic Microbial Resistance" for Phase-IV clinical Trials in India.

Orchid's CTD has extended supporting with technical challenges as well as analytical requirements for the transferred APIs and existing Cephalosporin products to file the dossiers and gain approval of dossiers. In order to respond to queries from regulatory agencies, internal customers in other locations and external customers from various countries, with respect to

Orchid's APIs in both Cephalosporin and NPNC categories, extensive scientific rationale and analytical data were provided to gain regulatory approval and progress towards commercializing the products. Such activities include extensive impurity profiling, analytical method development, method validation, assessment of APIs in regulatory perspective, inorganic elemental impurities (as per ICH Q3D employing ICPMS), polymorphism, carry over studies, trace impurity and ion analysis, etc., through appropriate techniques.

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

Orchid's development team has successfully transferred the manufacturing technology for Avibactam – Ceftazidime API combination drug for domestic market.

Orchid's CTD has successfully completed new manufacturing technology for new 5^{th} generation Cephalosporin and ready for scale-up. This is one more new product in Orchid's product portfolio.

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

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

As a part of continuous improvement program, implemented the newly developed technology for solvent recovery process to lead to reduction in the cost of manufacturing of the class comprising quaternary Cephalosporin.

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

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

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

a) Technology	No New technology 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 plans of action.	Not applicable

4. Specific areas of benefits from CTD & future Plan

Orchid's CTD team has developed non-infringement process for the manufacturing of Avibactam Sodium for Para IV filing.

Orchid's Formulation team has developed & scaled-up a novel combination drug with Enemtazobactam – Cefepime for Phase-IV clinical Trials in India.

Planning for the commercialization in this financial year for Orchid's two new Cephalosporin products,

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

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

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

For and on behalf of the Board of Directors of

Orchid Pharma Limited

Sd/-
Manish Dhanuka
Managing Director
DIN:00238798

Sd/-
Mridul Dhanuka
Whole Time Director
DIN:00199441

Place: Gurugram
Date: July 12, 2023

Annexure III to the Board's Report
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

		Year ended March 31, 2023	Year ended March 31, 2022
1.	**Earnings in foreign exchange during the year**		
	F.O.B value of exports	54,517.16	48,302.71
	Export of services (net of TDS)		-
2.	**C.I.F. value of imports (on cash basis)**		
	Raw materials & Packing materials	24,897.93	19,507.06
	Capital goods	771.10	-
	Spare parts, components and consumables	115.03	-
3.	**Expenditure in foreign currency during the year (on cash basis)**		
	Travelling expenses	-	-
	Interest and bank charges	668.52	145.05
	Professional / Consultancy fees	-	81.74
	Others	807.06	756.40
4.	**Dividend remittances in foreign currency during the year**		
	Net dividend	-	-
5.	**Total foreign exchange used (2+3+4)**	**27,259.64**	**20,490.25**

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

Sd/-
Manish Dhanuka
Managing Director
DIN:00238798

Sd/-
Mridul Dhanuka
Whole Time Director
DIN:00199441

Place: Gurugram
Date: July 12, 2023

Annexure IV to the Board's Report

CORPORATE GOVERNANCE REPORT

In Compliance with Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 and amendments made thereunder **("SEBI Listing Regulations")**, the Company submits the Corporate Governance Report for the year ended March 31, 2023

A. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. 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 comprising regulators, employees, customers, vendors, investors and the society at large. The corporate structure, business and disclosure practices have been aligned to Corporate Governance philosophy, transparency, accountability, fairness and intensive communication with stakeholders which are integral to your company's functioning. We believe in performance oriented systems. Your Company's Corporate Governance framework ensures that we make the timely disclosures and share correct information regarding our financials and performance as well as business of the Company from time to time.

B. BOARD OF DIRECTORS

i) Composition and Category of Board

The Board of Directors is entrusted with the ultimate superintendence, control and responsibility of the affairs of the Company. The Board is responsible for providing strategic supervision, overseeing the management performance and governance of the Company on behalf of the shareholders and other stakeholders. The Board exercises independent judgement and plays a vital role in the oversight of the Company's affairs. The composition of Board of Directors of the Company is in conformity with the requirements of Regulation 17 of SEBI Listing Regulations as well as provisions of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company and all other applicable laws and in accordance with best practices of Corporate Governance. The Board comprised of Seven (7) directors as on March 31, 2023.

The Composition and Category of Board of Directors as on March 31,2023 was as follows:

S. No.	Category	No. of Directors
1	Executive Director	2
2	Non-Executive, Independent Director (including Woman Director)	4
3	Other Non-Executive Director	1
	Total	**7**

None of the Non-Executive Directors are and were responsible for the day to day affairs of the Company during the year under review.

ii) The details relating to composition, category of Directors, directorships held by them in other companies and their membership and chairmanship in various Committees of Board of other companies, as on March 31, 2023 are as follows:

Other Directorship and Committee Memberships/Chairmanships						
S. No	**Name(s) of the Directors(s)**	**Designation**	**Number of Directorship held in other Public (listed and unlisted) companies as on March 31, 2023**	**Number of Board Committee positions held in other Companies as on March 31, 2023**		**Directorship in other listed entity & Category of Directorship**
				Member*	**Chairman***	
1	Shri Ram Gopal Agarwal (DIN:00627386)	Chairman (Non-Executive - Non-Independent Director)	2	0	0	Dhanuka Agritech Limited (*Executive-Whole Time Director and Chairman*)
2	Shri Manish Dhanuka (DIN:00238798)	Executive-Managing Director	2	0	0	NIL
3	Shri Mridul Dhanuka (DIN: 00199441)	Executive -Whole Time Director	3	0	0	Dhanuka Agritech Limited (*Non-Executive-Non-Independent Director*)
4	Smt Tanu Singla (DIN: 08774132)	Non- Executive-Independent Director	0	0	0	Nil
5	Dr, Dharam Vir (DIN: 08771224)	Non- Executive-Independent Director	0	0	0	Nil
6	Shri Mudi Tandon (DIN: 06417169)	Non- Executive-Independent Director	1	0	0	Nil
7	Shri Manoj Kumar Goyal (DIN: 06361663)	Non- Executive-Independent Director	0	0	0	Nil

Late Shri Arun Kumar Dhanuka (DIN: 00627425) ceased to be Non - Executive – Non Independent Director w.e.f. January 30, 2023, due to his sad and untimely death on January 30, 2023.

None of the Non-Executive Independent Directors have resigned from the Board of the Company during the financial year ended March 31, 2023.

Notes:

The Independence of a Director is determined by the criteria stipulated under Regulation 16(1)(b) of the SEBI Listing Regulations & Section 149(6) of the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under the Regulation 16(1)(b) of the SEBI Listing Regulations and are not aware of any circumstances or situation which exist or may be reasonably anticipated, that could impair or impact their ability to discharge duties with an objective independent judgment and without any external influence. Further, in the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

I. None of the Directors of the Company holds directorship in more than 20 companies. This includes alternate directorship but does not include the directorships held in private limited companies, foreign companies, high debt value listed entities, dormant companies and companies under Section 8 of the Act. Further, none of the Directors hold directorship in more than 10 public companies.

II. None of the Directors of the Company is holding position of Director in more than seven listed companies.

III. None of the Directors of the Board is holding the position of Independent Director in more than seven listed companies;

IV. None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees (as specified in Regulation 26 of the SEBI Listing Regulations) across all the public limited companies in which the person is a Director. Necessary disclosures regarding Committee positions in other Public Limited Companies as on March 31, 2023 have been made by the Directors. The Committees considered for the purpose are those prescribed under Regulation 26 of the SEBI Listing Regulations viz. Audit Committee and Stakeholders' Relationship Committee of all Indian Public Limited Companies.

V. All the Directors in their individual capacity have confirmed that they are not debarred or disqualified by SEBI/Ministry of Corporate Affairs or any other statutory authority to continue as Director of the Company. The Company has also obtained a certificate from a Company Secretary, in Whole Time Practice in this regard.

VI. None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

VII. The Board of Directors periodically reviews the compliance report of all the laws applicable to the Company.

VIII. As required under Regulation 17 of SEBI Listing Regulations and second proviso to Section 149(1) of the Act, Ms. Tanu Singla is the Woman Independent Director on the Board of the Company.

IX. None of the Directors of the Company has attained the age of seventy five years as on March 31, 2023.

X. None of the Directors on the Board of the Company has been debarred from accessing the capital market and/or restrained from holding position of Director in any listed company by virtue of any SEBI Order or any such authority.

XI. Inter-se relationships between our Board members are as under:

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. Shri Mridul Dhanuka is the nephew of Shri Ram Gopal Agarwal.
Shri Manish Dhanuka, Managing Director	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 and Shri Ram Gopal Agarwal.

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

iii) Board Meetings & Attendance Record of the Directors

Minimum four pre-scheduled Board meetings are held annually. Additional Board meetings are convened by giving appropriate notice to address the Company's specific needs. Dates of Quarterly Board Meetings are fixed in advance and agenda papers are circulated to Directors generally one week before the meeting except for meetings which are held on shorter notice period. Video conferencing or other audio visual facilities are used to facilitate Directors residing abroad or who are unable to attend meetings physically in India and present at other locations, to participate in the meetings. In case of exigencies or urgencies, resolutions are considered by circulation as well.

The Board is given presentations covering the Company's major business segments and their operations, business environment, the Company's business areas, including business opportunities and strategy and risk management practices before taking on record the Company's quarterly/ annual financial results.

During the financial year 2022-23, **Six (6)** Board Meetings were held i.e. on May 12, 2022, June 14,2022, August 10, 2022, November14, 2022, December 01, 2022 and February 09, 2023. Time gap between two consecutive board meetings was not more than 120 days. The last Annual General Meeting of the Company was held on July 15, 2022.

Details of attendance of Directors at various Board Meetings and at the Annual General Meeting held during the financial year 2022-23 are as under:

Name(s) of the Director(s)	Number of Board meetings which the Director was entitled to attend	Number of Board Meetings attended	Attendance at the last AGM held on July 15,2022
Shri Ram Gopal Agarwal	6	1	No
Shri Manish Dhanuka	6	6	Yes
Shri Mridul Dhanuka	6	6	Yes
Shri Arun Kumar Dhanuka*	5	5	No
Smt Tanu Singla	6	6	Yes
Dr Dharam Vir	6	6	Yes
Shri Mudit Tandon	6	4	Yes
Shri Manoj Kumar Goyal	6	6	Yes

**Late Shri Arun Kumar Dhanuka (DIN: 00627425) ceased to be Non - Executive – Non Independent Director w.e.f. January 30, 2023, due to his sad and untimely death on January 30, 2023.*

iv) Chart or matrix setting out the Skills/ Expertise/ Competence of the Board of Directors as on March 31, 2023

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

Skills/Expertise/Competence of the Board of Directors:

S. 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	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 specic 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	√	√	√	√	√	√	√

S. 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	Dr Dharam Vir Independent Director	Shri Manoj Kumar Goyal Independent Director	Shri Mudit Tandon Independent Director	Ms. Tanu Singla Independent Director
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	√	√	√	√	-	√	-
9	Strategic advisory	Ability to advise on organic/inorganic growth opportunities through acquisitions / combinations, assess build or purchase proposals, appreciative of and understanding of the regulatory and legal requirements of the sector / industry in which the Company operates in	√	√	√	√	√	√	√
10	Sales, Distribution & Brand Marketing	Experience in developing strategies to grow sales, and market share, create distribution models and build brand awareness to enhance company's reputation	√	√	√	√	-	√	-
11	Operations	Expertise in managing the operations of the Company	√	√	√	√	√	√	√

v) Information available to the Board

During the year 2022-23, minimum information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, wherever applicable, has been placed before the Board for its consideration.

The aforesaid information is generally provided as a part of the agenda of the board meeting and/or is placed at the table during the course of the meeting. Key Managerial Personnel and other senior management staff are also invited to the Board Meetings to present reports on the Company's operations and internal control systems. The Company Secretary, in consultation with the Chairman prepares the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted to be taken up as 'any other item'. Further, the Board periodically reviews the Compliance Reports in respect of laws and regulations applicable to the Company.

vi) Separate Meeting of Independent Directors & Familiarization Programme for Independent Directors

A separate meeting of the Independent Directors was held on November 14, 2022 inter-alia, to evaluate the performance of Non-Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. All the Independent Directors were present at the Meeting. The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole.

The Company has organized Familiarization Programmes for the Non – Executive Independent Directors of the Company to familiarize them with the Company vis-a-vis their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. Details of Familiarization Programmes conducted are uploaded on the website of the Company & can be accessed through the link http://www.orchidpharma.com/downloads/Annual%20Secretarial%20Compliance%20Reports/Familiarisation%20program%20for%20Independent%20Directors1.pdf

vii) Shareholding of Executive Directors

As on March 31, 2023, the Company has two Executive Directors on the Board of the Company. Shri Manish Dhanuka, Managing Director and Shri Mridul Dhanuka, Whole Time Director. Executive Directors holds Nil equity shares of the Company as on March 31, 2023.

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

None of the Independent Directors had resigned from the Company during the Financial Year 2022-2023.

Board confirms that in the opinion of the board, the independent directors fulfill the conditions specified in the SEBI listing regulations and are independent of the management.

C. 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 Statutory Committees viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee, Corporate Social Responsibility Committee and Non-Statutory Committees viz., Banking, Finance & Operations Committee, Business Restructuring Committee, Capital Restructuring Committee and Restructuring Committee. Details of the role, composition and terms of reference of these Committees are determined by the Board and their relevance is reviewed from time to time.

I. Audit Committee

a) Composition of Audit Committee as at March 31, 2023 is as under:

S. No.	Name of Committee Members	Designation	Committee position
1	Shri Manoj Kumar Goyal	Non- Executive Independent Director	Chairman
2	Smt Tanu Singla	Non- Executive Independent Director	Member
3	Shri Mridul Dhanuka	Executive-Whole Time Director	Member

The Composition of the Audit Committee as on March 31, 2023 and terms of reference are in compliance with Section 177 of the Act and Regulation 18 of SEBI Listing Regulations. The Chairman of the Committee is an Independent Director. The Company Secretary of the Company acts as the Secretary to the Committee. All members of the Committee are financially literate and have accounting or related financial management expertise.

b) Terms of Reference:

Primarily, the Audit Committee is responsible for:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

4. Reviewing, with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:

a. Matters required being included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013

b. Changes, if any, in accounting policies and practices and reasons for the same

c. Major accounting entries involving estimates based on the exercise of judgment by management.

d. Significant adjustments made in the financial statements arising out of audit findings

e. Compliance with listing and other legal requirements relating to financial statements

f. Disclosure of any related party transactions

g. modified opinion(s) in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, preferential issue or qualified institutions placement and making appropriate recommendations to the board to take up steps in this matter.

7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.

8. Approval or any subsequent modification of transactions of the company with related parties; including the omnibus approval for the related party transactions proposed to be entered by the Company.

9. Scrutiny of inter-corporate loans and investments.

10. Valuation of undertakings or assets of the Company, wherever it is necessary.

11. Evaluation of internal financial controls and risk management systems.

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

14. Discussion with internal auditors of any significant findings and follow up there on.

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post - audit discussion to ascertain any area of concern

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non - payment of declared dividends) and creditors

18. To review the functioning of the whistle blower mechanism.

19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.

20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

21. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances /investments existing as on the date of coming into force of this provision

22. Consider and comment on rationale, cost - benefits and impact of schemes involving merger, demerger,amalgamation etc., on the listed entity and its shareholders.

23. Such other role/functions as may be specifically referred to the Committee by the Board of Directors and / or other committees of Directors of the Company and specified in Listing Regulations.

c) Meetings and attendance of Audit Committee during the Financial Year 2022-2023

Five (5) Meetings of the Audit Committee were held during the Financial Year 2022-23 i.e. on May 12, 2022, June 14, 2022, August 10, 2022, November 14, 2022 and February 09, 2023. The necessary quorum was present during all the Meetings.

The attendance of Members at the meetings of the Committee held during the year is as follows:

Name & Designation	Committee position	Number of meetings held	Number of Meetings attended
Shri Manoj Kumar Goyal (*Non- Executive Independent Director*)	Chairman	5	5
Smt Tanu Singla (*Non- Executive Independent Director*	Member	5	5
Shri Mridul Dhanuka (*Executive-Whole Time Director*)	Member	5	5

II. <u>Nomination and Remuneration Committee (NRC)</u>

a) Composition of Nomination and Remuneration Committee as at March 31, 2023 is as under:

S,. No.	Name of Committee Members	Designation	Committee position
1	Shri Mudit Tandon	Non-Executive Independent Director	Chairman
2	Shri Arun Kumar Dhanuka*	Non-Executive Non-Independent Director	Member
3	Dr. Dharam Vir**	Non-Executive Independent Director	Member
4	Shri Manoj Kumar Goyal	Non-Executive Independent Director	Member

**Ceased to be Member of the NRC w.e.f January 30, 2023 upon his sad and untimely demise on the said date.*

***Appointed as Member of the NRC w.e.f. February 09, 2023.*

The composition of the Nomination and Remuneration Committee meets the requirements as laid down under Section 178 (1) of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. Chairman of the NRC is an Independent Director. The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

b) Terms of Reference:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

   1A. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

   a. use the services of an external agencies, if required;

   b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

   c. consider the time commitments of the candidates.

2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. Devising a policy on diversity of board of directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. Recommend to the board, all remuneration, in whatever form, payable to senior management;
7. Such other role/functions as envisaged under Regulation 19 read with Part D of Schedule II of the Listing Regulations and the provisions of Section 178 of the Companies Act, 2013 and specifically referred to the Committee by the Board of Directors and / or other committees of Directors of the Company and specified in Listing Regulations.

c) Meetings and attendance of Nomination and Remuneration Committee during the Financial Year 2022-2023

Two (2) meetings of the Nomination & Remuneration Committee were held on i.e. June 14, 2022 and November 11, 2022 held during the Financial Year 2022-23. The necessary quorum was present during the Meeting.

The attendance of Members at the meetings of the Committee held during the year is as follows:-

Name & Designation	Committee position	Number of Meetings held	Number of Meetings attended
Shri Mudit Tandon- (*Non-Executive-Independent Director*)	Chairman	2	1
Shri Arun Kumar Dhanuka* (*Non-Executive Non-Independent Director*)	Member	2	2
Shri Manoj Kumar Goyal (*Non-Executive-Independent Director*)	Member	2	2
Dr. Dharm Vir** (*Non-Executive-Independent Director*)	Member	2	NA

**Ceased to be Member of the NRC w.e.f January 30, 2023 upon his sad and untimely demise on the said date;*

***Appointed as Member of the NRC w.e.f. February 09, 2023.*

III. Stakeholders Relationship Committee

The Stakeholders Relationship Committee of Directors specifically looks into various aspects of interest of Shareholders and Investors complaints and other related issues of shareholders and other security holders.

a) Composition of Stakeholders Relationship Committee as at March 31, 2023 is as under:

S. No.	Name of Committee Members	Category	Committee position
1	Dr. Dharam Vir	Non- Executive-Independent Director	Chairman
2	Smt Tanu Singla	Non- Executive-Independent Director	Member
3	Shri Manoj Kumar Goyal	Non- Executive-Independent Director	Member

The composition of the Stakeholder Relationship Committee meets the requirements as laid down under Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. Chairman of the Stakeholder Relationship Committee is Non-Executive Independent Director. Company Secretary acts as the Secretary to the Committee.

Ms. Marina Peter is the Company Secretary and Compliance Officer of the Company.

b) Terms of Reference:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non - receipt of annual report, non - receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. 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.
5. Such other role/functions as may be specifically referred to the Committee by the Board of Directors and / or other committees of Directors of the Company or mentioned in the Listing agreement.

c) Meetings and attendance of Stakeholder Relationship Committee during the Financial Year 2022-2023

One (1) meeting of the Stakeholder Relationship Committee was held on June 14, 2022 during the Financial Year 2022-23. The necessary quorum was present during the meeting.

The attendance of Members at the meeting(s) of the Committee held during the year is as follows:-

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

The details of investor complaints (as reported under Regulation 13 of SEBI Listing Regulations) received and resolved during the period from April 1, 2022 to March 31, 2023 is as under:

No. of Investor Complaints pending at the beginning of April 1, 2022	No. of Investor Complaints received from April 1, 2022 to March 31, 2023	No. of Investor Complaints resolved from April 1, 2022 to March 31, 2023	No. of Investor Complaints pending at the end of March 31, 2023
0	1	0	1*

**this one complaint pending as on March 31, 2023 stands resolved to the satisfaction of the investor in the first week on April 2023 and hence number of complaints not solved to the satisfaction of shareholders' on date of this report are NIL.*

IV. Risk Management Committee

The Risk Management Committee of Directors looks into for monitoring the risk management process in the Company. The Committee has been constituted to review the process for systematic identification and assessment of the business risks, to assess the critical risk exposures by specialized 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.

a) Composition of Risk Management Committee as at March 31, 2023 is as under:

S. No.	Name of Committee Members	Category	Committee position
1	Dr Dharam Vir	Non-Executive - Independent Director	Chairman
2	Shri Manish Dhanuka	Executive Director-Managing Director	Member
3	Shri Mridul Dhanuka	Executive Director-Whole time Director	Member
4	Shri Sunil Kumar Gupta	Chief Financial Officer	Member
5	Dr RJ Sarangdhar	Unit Head-API & FDF (Senior General Manager)	Member

The composition of the Risk Management Committee meets the requirements as laid down under Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Chairman of the Committee is Non-Executive Independent Director.

b) Terms of Reference:

1. To formulate a detailed risk management policy which shall include:

a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

b. Measures for risk mitigation including systems and processes for internal control of identified risks.

c. Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any);
7. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors;
8. Such other role/functions as may be specifically referred to the Committee by the Board of Directors and / or other committees of Directors of the Company and specified in SEBI/RBI Regulations.

c) Meetings and attendance of Risk Management Committee during the Financial Year 2022-2023

Two (2) meetings of the Risk Management Committee were held during the Financial Year 2022-23 i.e. on June 13, 2022 and November 11, 2022. The necessary quorum was present during the Meeting.

The attendance of Members at the meeting(s) of the Committee held during the year is as follows:

Name& Designation	Committee position	Number of Meetings held	Number of Meetings attended
Dr Dharam Vir- Non-Executive - Independent Director	Chairman	2	2
Shri Manish Dhanuka- Executive Director-Managing Director	Member	2	2
Shri Mridul Dhanuka- Executive Director-Whole Time Director	Member	2	1
Shri Sunil Kumar Gupta-Chief Financial Officer	Member	2	1
Dr R J Sarangdhar- Unit Head-API & FDF(Senior General Manager)	Member	2	2

V. Corporate Social Responsibility Committee

The company constituted a Corporate Social Responsibility Committee w.e.f. June 19, 2023.

a) Composition of Corporate Social Responsibility Committee as at the date of this report is as under:

S. No.	Name of Committee Members	Category	Committee position
1	Shri Manish Dhanuka	Executive Director-Managing Director	Chairman
2	Shri Mridul Dhanuka	Executive Director-Whole time Director	Member
3	Dr. Dharam Vir	Non-Executive - Independent Director	Member

b) Terms of Reference:

1. To formulate and recommend to the Board, an annual action plan in pursuance of its a Corporate Social Responsibility Policy, which shall indicate the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
2. Recommend the manner of execution of such projects and amount of expenditure to be incurred on the activities referred to in clause (a);
3. Monitoring and ensuring implementation of the projects / programmes / activities proposed to be undertaken by the Company;
4. Monitor the Corporate Social Responsibility Policy of the Company from time to time;
5. Conduct impact assessment, if any, for the projects undertaken by the company; and
6. Discharge such other role/functions as may be specifically referred to the Committee by the Board of Directors in relation to Corporate Social Responsibility Policy of the Company and as specified in the Act from time to time.

c) Meetings and attendance of Corporate Social Responsibility Committee during the Financial Year 2022-2023

As the committee was constituted on June 19, 2023 consequently no meeting of CSR Committee was held during the financial year 2022-23.

NON-STATUTORY COMMITTEES

i. Banking, Finance and Operations Committee

The Banking, Finance and Operations Committee is inter-alia entrusted with the power to monitor and review and take care of the various routine banking, financial (including borrowings monies) and operational matters of the Company.

a) The composition of the Banking, Finance and Operations Committee as at March 31, 2023 is as under:

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

**Ceased to be Member of the Banking, Finance and Operations Committee w.e.f January 30, 2023 upon his sad and untimely demise on the said date;*

b) Terms of Reference:

1. To monitor, review and take care of the various routine banking, financial and operational matters of the Company.
2. To employ/invest the surplus funds available in the Company in any of the Mutual funds managed by Trusts up to 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.

c) Meetings and attendance of Banking, Finance and Operations Committee during the Financial Year 2022-2023:

Three (3) meetings of the Banking, Finance and Operations Committee were held on i.e. August 08, 2022, September 02, 2022 and December 20, 2022 during the Financial Year 2022-23.

Name & Designation	Committee position	Number of meetings held	Number of Meetings attended
Shri Manish Dhanuka Executive Director-Managing Director	Chairman	3	3
Shri Arun Kumar Dhanuka, Non-Executive Director-Non-Independent Director	Member	3	3
Shri Mridul Dhanuka, Executive Director-Whole time Director	Member	3	3

ii) Business Restructuring Committee

The Business Restructuring Committee inter-alia includes evaluation of proposals of business restructuring and recommend to the Board of Directors. The composition of the Business restructuring Committee and the attendance of the members at the meetings held during the year are given below:

The composition of the Business Restructuring Committee as at March 31, 2023 is as under:

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

No meeting of the Restructuring Committee was held during the Financial Year 2022-23.

iii) Restructuring Committee:

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

The composition of the Restructuring Committee as at March 31, 2023 is as under:

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

** Resigned as company Secretary w.e.f July 22, 2023.*

No meeting of the Business Restructuring Committee was held during the Financial Year 2022-23.

iv) Capital Restructuring Committee

The Board of Directors at their meeting held on December 01, 2022, approved the constitution of the Capital Restructuring Committee. The composition of the Capital Restructuring Committee and the attendance of the members at the meetings held during the year are given below:

a) The composition of the Capital Restructuring Committee as at March 31, 2023 is as under:

Name of Committee Members	Category	Committee Position
ShriManoj Kumar Goyal	Non-Executive - Independent Director	Chairman
Dr. Dharam Vir	Non-Executive - Independent Director	Member
Shri Mridul Dhauka	Executive Director Whole Time Director	Member

b) Terms of Reference:

1. To determine the form, terms and timing (i.e. opening and/or closing dates) of the QIP, including number of the Equity Shares to be allotted in each tranche, floor price, final allotment price in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**") and/or any other applicable laws, including any discount of up to 5% of the floor price or such other discount as may be permitted under applicable law, premium amount in issue, listings on one or more stock exchanges, the date for the opening and closure of the subscription period for the Equity Shares (including the extension of such subscription period, as may be necessary or expedient), and to make and accept any modifications in the proposals as may be required by the authorities involved in such QIP and also agree to any conditions imposed by such authorities at the time of granting their approval, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the QIP;
2. To allot the Equity Shares, in one or more series and/or one or more tranches, issued in accordance with the terms of offering;
3. To undertake all such actions and compliances as may be necessary in accordance with the SEBI ICDR Regulations and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**") or any other applicable laws;
4. To approve and adopt any special purpose financials statements, if any, in respect of the QIP;
5. To determine and vary utilization of the QIP proceeds in accordance with the applicable laws;
6. To take the decision pertaining to road shows (deal and non-deal road shows) and investor meet(s);
7. To finalise the basis of allotment of the Equity Shares on the basis of the subscriptions received (including in the event of over-subscription);
8. To seek, if required, any approval, consent or waiver from the Company's lenders, and/or parties with whom the Company has entered into various commercial and other agreements, and/or any or all concerned government and regulatory authorities

in India, and/or any other approvals, consents or waivers that may be required in connection with the creation, issue, offer and allotment of Equity Shares of face value of ₹10/- each of the Company (hereinafter referred to as "**Equity Shares**");

9. To open one or more bank accounts in the name of the Company or otherwise, including escrow account, with such banks in India, as may be necessary or expedient in connection with the issue and allotment of the Equity Shares;

10. To apply to the BSE Limited and the National Stock Exchange of India Limited (collectively referred to as "**Stock Exchanges**") for obtaining of in-principle approval and filing of requisite documents with the Registrar of Companies;

11. To finalize all the terms and conditions and the structure of the Equity Shares, to do all such acts, deeds, matters and things as the Capital Restructuring Committee may, in its absolute discretion deem necessary or desirable in connection with the Equity Shares, and to settle any question, difficulty or doubts that may arise with regard to the offer, issue and allotment of the Equity Shares, subject however, to applicable laws, and to take such actions or give such directions as may be necessary or desirable and to obtain any approvals, permissions and / or sanctions which may be necessary or desirable, as it may deem fit or as the Capital Restructuring Committee may *suo moto* decide in its absolute discretion in the best interests of the Company; and

12. To delegate any of its powers set out hereinabove, as may be deemed necessary and permissible under applicable laws to the officials of the Company.

c) Meetings and attendance of Capital Restructuring Committee during the Financial Year 2022-2023:

No meeting of the Capital Restructuring Committee was held during the Financial Year 2022-23.

D. POLICIES ON APPOINTMENT & REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors upon recommendation from the Nomination and Remuneration Committee ("NRC") adopted a Nomination and Remuneration Policy to determine the criteria to identify the Directors and Key Managerial Personnel (KMP) in accordance with the criteria laid down.

I. Appointment

NRC determines the criteria of appointment to the Board and is vested with the authority to identify candidates for appointment to the Board of Directors. In evaluating the suitability of a person for appointment / continuing to hold appointment as a Director, the NRC takes into account apart from others, Board diversity, person's eligibility, qualification, skills, expertise, track record, general understanding of the business, professional ethics, integrity, values and other fit and proper criteria's. Based on recommendation of the NRC, the Board evaluates the candidate(s) and decide on the selection of the appropriate member. In case of re-appointment of any Board member, NRC basis evaluation scores of the concerned Board member pursuant to performance evaluation, recommends its decision to the Board to extend or continue the term of appointment of the Board member.

The authority to identify right candidates for appointment of KMP's and SMPs (Senior Management Personnel) is vested with the Executive Directors. The Executive Directors along with HR Head identifies candidates internally or externally and proposes to NRC for its approval for appointment along with proposed remuneration. The remuneration proposed used to be consistent with the strategy of the Company and in line with the comparable market & internal remuneration benchmarks.

II. Remuneration

The remuneration of Executive / Non-Executive Directors and KMPs is governed by the external competitive environment, track record, potential, individual performance and performance of the Company as well as industry standards and decided by NRC.

The Remuneration of Executive Directors is decided by the Board based on recommendation of NRC within the ceiling fixed by the Shareholders and permissible under the Act and other relevant laws and regulations. Remuneration paid to the Executive Directors for the year ended March 31, 2023 and the disclosure as per the requirement of Schedule V of the Act and SEBI Listing Regulations, are as follows:

(Amount in Rs)

Name and Designation of the Director	Salary & Perquisites	Bonus	Commission payable	Others	Total
Shri Manish Dhanuka Managing Director	80,50,503.00	10,000.00	37,50,000.00	Nil	1,18,10,503.00
Shri Mridul Dhanuka Whole Time Director	80,50,503.00	10,000.00	37,50,000.00	Nil	1,18,10,503.00

III. Criteria of making payments to Non-Executive Directors

Pursuant to Section 178 of Companies Act, 2013 and the SEBI 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/Criteria%20of%20making%20payment%20to%20Non-Executive%20Directors.pdf

IV. 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. They are paid only the sitting fees for attending the meetings of the Board of Directors and Committees within the limits as prescribed under the Act. Independent Directors are paid sitting fees of Rs. 25,000/- per meeting of the Board of Directors and Rs. 5,000/- per meetings of committees of the Board of Directors. Non-Executive Directors including Independent Directors do not have any pecuniary relationship or transactions with the Company.

V. Details of the Remuneration and Sitting Fees paid to the Directors for the Financial Year 2022-2023 are given below:

Name(s) of the Director(s)	Remuneration paid during the year2022-23 (In Rs.)					No. of Stock Options	Shareholding
	Salary & Perquisites	Commission / bonus	Sitting fees	Others	Total		
Shri Ram Gopal Agarwal, Chairman &Non-Executive Director	-	-	25,000	-	**25,000**	-	-
Shri Arun Kumar Dhanuka, Non- Executive Director*	-	-	1,35,000	-	**1,35,000**	-	-
Smt Tanu Singla- Independent Director	-	-	1,80,000	-	**1,80,000**	-	-
Dr Dharam Vir- Independent Director	-	-	1,65,000	-	**1,65,000**	-	-
Shri Mudit Tandon- Independent Director	-	-	1,05,000	-	**1,05,000**	-	-
Shri Manoj Kumar Goyal- Independent Director	-	-	1,90,000	-	**1,90,000**	-	-

**Late Shri Arun Kumar Dhanuka (DIN: 00627425) ceased to be Non - Executive – Non Independent Director w.e.f. January 30, 2023, due to his sad and untimely death on January 30, 2023.*

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

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

None of the Non-Executive Directors holds any shares or convertible instruments i.e. which are convertible into equity shares of the Company as on March 31, 2023.However, as on March 31, 2023, M/s Dhanuka Laboratories Limited holds 89.96% equity shares and 14,300 Zero Coupon, Optionally Convertible Non-marketable Debentures in Orchid Pharma Limited. Apart from receiving sitting fees, no Non-Executive Director including Independent Directors received any fixed component & performance linked incentives from the Company during the period under review. Further, there were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company during the year under review other than the payment of sitting fees for attending meetings of the Board and its Committees. The Company has not granted any stock options to any of its Non-Executive Independent Directors. Shri Ram Gopal Agarwal, Non-Executive Directors is also one of the Significant Beneficial Owners of M/s Dhanuka Laboratories Limited.

The Company presently does not have any active Employee Stock Option Scheme.

VII. Performance Evaluation criteria for Independent Directors

In terms of provisions of the Act and Regulation 17(10) read with Regulation 25(4) of SEBI Listing Regulations, the Board conducts an annual performance evaluation of its own performance, the performance of the Directors individually as well as the evaluation of the working of its Committees through questionnaire designed with qualitative parameters and feedback based on ratings.

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

E. GENERAL BODY MEETINGS

i) Annual General Meetings (AGM)

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

Financial Year	AGM	Location	Special Resolutions passed	Date	Time
2021-2022	AGM	The AGM 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.	NIL	July 15,2022	03.00 P.M.
2020-2021	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.	*3 Special Resolutions were passed.	August 13,2021	12.15 P.M.
2019-2020	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.	**2 Special Resolutions were passed.	Decemb er 30, 2020	12:00 P.M.

*Resolutions pertaining to the following matters were passed as Special Resolutions:

- To approve the Borrowing powers of the Company under Section 180(1)(c) of the Companies Act,2013;
- Approval for creation of Charges/Mortgage properties of the Company under Section 180(1)(a) of the Companies Act, 2013;
- Approval to make Investments, give loans, guarantees and provide securities under Section 186 of the Companies Act, 2013.

**Resolutions pertaining to the following matters were passed as Special Resolutions:

- Sell, Lease or otherwise dispose of whole or substantially the whole of the Undertaking(s) of the Company.
- Fund Raising through issue of Equity Shares on a Preferential Allotment/ Private Placement Basis.

ii) Extra-ordinary General Meeting

During the period under review, an Extra-ordinary General Meeting was held on December 29, 2022.

Year	Date	Day	Time	Venue	Special Resolutions Passed
2022-23	29.12.2022	Thursday	11:30 A.M.	Through Video Conferencing / Other Audio Visual Means (VC/ OAVM)	Special Resolution was passed i.e. raising of funds through issuance of Equity Shares of the Company for an aggregate amount up to ₹ 500 Crores on Qualified Institutional Placement basis

The above Resolution was passed with requisite majority.

iii) Postal Ballot

During the financial year 2022-23, the Company did not conduct any Postal Ballot. The Company presently does not envisage any business to be conducted through postal ballot as of this date of this report.

F. SUBSIDIARY COMPANIES

In terms of Regulation 16(1)(C) of the SEBI Listing Regulations read with the Policy on Subsidiaries of the Company, the Company does not have any 'material' non-listed Indian subsidiaries for year ended March 31, 2023.

The company has a policy for determining' material' subsidiaries in terms of SEBI Listing Regulations and such policy is uploaded on the Company's website and can be accessed through the following link http://www.orchidpharma.com/downloads/ Policy%20 for%20determining%20material%20subsidiaries.pdf

As a holding company, the performance of subsidiaries is monitored by the following means:

- The Audit committee / Board of the Company quarterly reviews the financial statements of the unlisted subsidiary companies, in particular the investments made by these companies.
- Minutes of Board meetings of the unlisted subsidiary companies are placed before the Board meetings of the Company periodically.
- A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies is placed at the Board meetings of the Company periodically.
- Since the Company does not have any material unlisted Indian subsidiaries of the Company, Secretarial audit is not required to be carried out for the period under review.

G. MEANS OF COMMUNICATION

In accordance to Regulation 46 of SEBI Listing Regulations, the Company has maintained a functional website at www.orchidpharma.com . The Company's quarterly (un-audited), and annual financial results (audited) are submitted to the Stock Exchanges immediately after these are approved by the Board in accordance with the requirements of the SEBI Listing Regulations. The Annual Report of the Company and the quarterly/annual financial results of the Company are also placed on the Company's website and can be accessed from the link http://www.orchidpharma.com/invr_Annualreports.html and http://www.orchidpharma.com/invr_financial.html respectively.

These financial results (Quarterly/Annual) are generally published in one of the leading newspapers of the country i.e. Financial Express in (English) and Makkal Kural (Tamil) and are displayed on the website of the Company i.e. http://www.orchidpharma.com/invr_intimation.aspx Official news releases are also updated on the site. Further, the Company also publish the other important notices / information in Financial Express (English) newspaper and Makkal Kural (Tamil) newspaper, having wide circulation in Chennai besides uploading the same on the website of the Company from time to time. Official news releases and official press releases are sent to NSE and BSE before sending the same to media and are also displayed on the Company's website i.e. http://www.orchidpharma.com/invr_intimation.aspx Presentations were made to the Institutional Investors / Analysts during the Financial Year 2022-23.The presentations made to the Institutional Investors / Analysts are posted on the Company's website and can be accessed at http://www.orchidpharma.com/invr_conferencecalls.html

All the corporate communication to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited are filed electronically on BSE's on-line portal i.e. BSE Listing Centre. Likewise, the said information is also filed electronically with NSE through NSE's on-line portal i.e. NSE Electronic Application Processing System (NEAPS) portal. The Stock Exchange filings are also made available on the website of the Company and can be accessed at http://www.orchidpharma.com/invr_intimation.aspx

The Company has designated an e-mail ID called cs@orchidpharma.com exclusively for redressal of Shareholders / Investors complaints / grievances. Shareholders may also contact Company's Registrar and Transfer Agent, appointed M/s. Abhipra Capital Limited, to report any grievance. Contact details of the RTA are available on the website of the Company i.e. http://www.orchidpharma.com/cont_Investor.html

H. GENERAL SHAREHOLDERS INFORMATION

I) Annual General Meeting

Pursuant to Ministry of Corporate Affairs General Circulars No. 20/2020 dated May 05, 2020 read with General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, and General Circular No. 02/2022 dated May 05, 2022 read with Circular No. 10/2022 dated December 28, 2022 has allowed companies to conduct their Annual General Meetings through video conference/other audio visual (VC/OAVM) means till September 30, 2023. Physical presence of shareholders at a common venue subject to fulfillment of certain pre-requisite conditions. Accordingly, adhering to social distancing norms and restrictions placed on gathering of persons and in terms of the above MCA Circulars, it has been decided by the Company to hold its 30th Annual General Meeting (AGM) through VC/OAVM as per the details mentioned hereunder:

Date	:	Wednesday, August 09, 2023
Time	:	11.30 A.M (IST)

Book Closure Date: Thursday, August 03, 2023 to Wednesday, August 09, 2023 (both days inclusive)

Record Date : August 02, 2023

i) Financial Calendar (tentative)

The financial year covers the period starting from 1st April and ending on 31st March.

Adoption of Quarterly Results:

For the Quarter ended on or before (actual & tentative for future quarters)

June 30, 2023	On or before August 14, 2023(Subject to Limited Review)
September 30, 2023	On or before November 14, 2023 (Subject to Limited Review)
December 31, 2023	On or before February 14, 2024 (Subject to Limited Review)
March 31, 2024	On or before May 30, 2024 (Audited)

ii) Dividend Payment Date

The Company has not recommended/paid any dividend for the period under review.

iii) Listing on Stock Exchanges

Equity Shares of the Company are currently listed on the following Stock Exchanges:

a. BSE Limited (BSE): Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001;

b. National Stock Exchange of India Limited (NSE)

Address:" Exchange Plaza"C-1, BlockG, Bandra Kurla Complex, Bandra (East), Mumbai-400051

National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) are the depositories for the equity shares of the Company.

The Annual Listing Fees for the financial year 2023-24 have been paid by the Company to both NSE and BSE where the Company's equity shares are listed.

iv) Payment to Depository

Annual Custody/Issuer fee for the year 2023-24 has been paid by the Company to CDSL and NSDL.

v) Scrip Symbol / Code

NSE: ORCHPHARMA

BSE: 524372

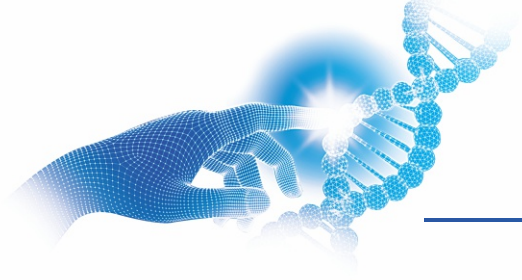
The ISIN allotted to Equity Shares of the Company is INE191A01027 (with NSDL and CDSL).

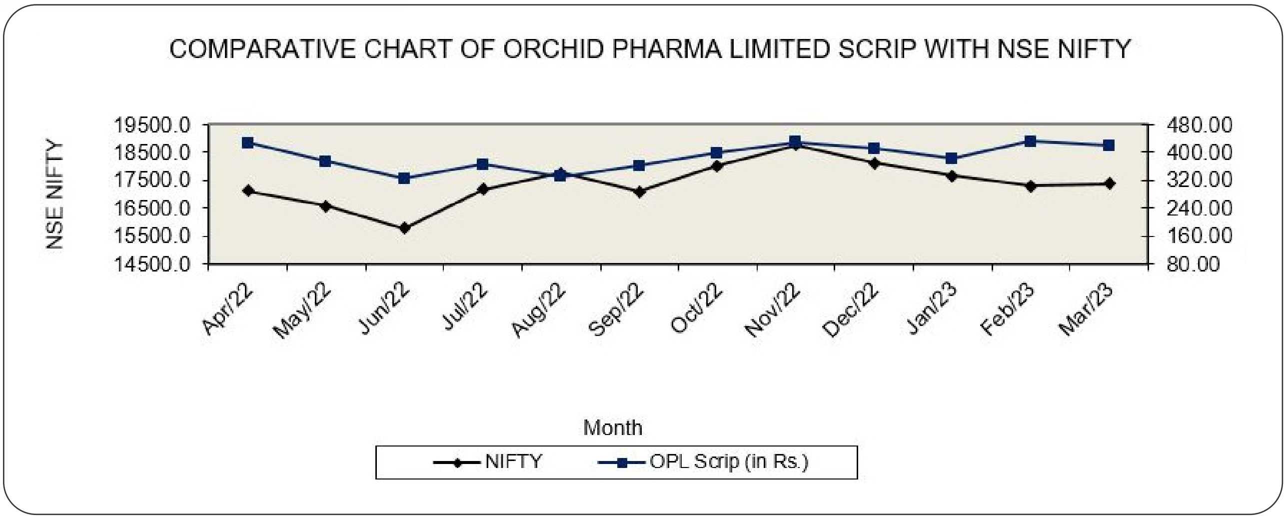
CIN: L24222TN1992PLC022994

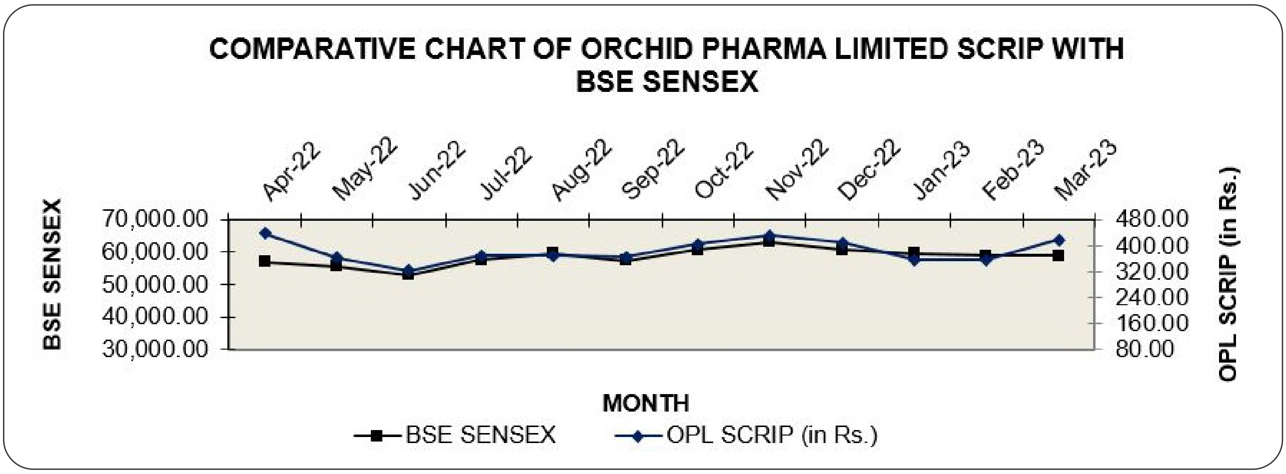
vi) Stock Market data

Monthly high and low quotations along with the volume of shares traded at NSE and BSE for 2022-2023 are:

Month	NSE			BSE		
	High (Rs)	Low (Rs)	Volume of Shares (Nos)	High (Rs)	Low (Rs)	Volume of Shares (Nos)
Apr-22	426.00	296.00	7,35,580	438.50	294.00	1,75,576
May-22	373.00	278.10	1,47,149	363.20	281.00	44,149
Jun-22	323.80	268.15	39,525	323.00	273.10	20,246
Jul-22	365.90	272.50	71,048	370.45	370.45	45,305
Aug-22	330.00	296.10	1,46,756	370.45	292.05	38,266
Sep-22	362.00	303.35	1,33,130	364.45	300.05	45,148
Oct-22	398.00	310.55	1,86,608	404.00	404.00	33,496
Nov-22	428.00	380.00	3,77,634	431.00	364.60	55,609
Dec-22	410.35	346.10	1,37,192	409.00	356.90	23,064
Jan-23	382.00	332.75	64,467	356.90	356.90	14,278
Feb-23	430.90	335.00	1,80,869	356.90	335.00	23,526
Mar-23	418.90	362.50	85,744		370.00	14,736.06
TOTAL			**23,05,702**			**1,176,690**







EQUITY HISTORY OF THE COMPANY SINCE INCORPORATION OF THE COMPANY UP TO MARCH 31, 2023

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue/Offer price per Equity Share (₹)	Nature of considera tion	Nature of allotment	Cumulative number of Equity Shares
July 13, 1992	70	10	10	Cash	Subscription to MoA	70
November 26, 1992	249,930	10	10	Cash	Issued on private placement basis	250,000
February 27, 1993	1,451,800	10	10	Cash	Issued on private placement basis	1,701,800
November 04, 1993	1,798,200	10	10	Cash	Issued on private placement basis	3,500,000
November 08, 1993	2,500,000	10	10.00	Cash	Initial public offering	6,000,000
July 18, 1994	350,000	10	140.00	Cash	Issued on private placement basis	6,350,000
July 18, 1994	1,00,000	10	120.00	Cash	Issued on private placement basis	64,50,000
July 18, 1994	100,000	10	145.00	Cash	Issued on private placement basis	6,550,000
July 18, 1994	350,000	10	141.00	Cash	Issued on private placement basis	6,900,000
July 18, 1994	300,000	10	135.00	Cash	Issued on private placement basis	7,200,000

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue/Offer price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares
November 01, 1994	200,000	10	200.00	Cash	Issued to foreign institutional investors on private placement basis	7,400,000,
November 01, 1994	50,000	10	190.00	Cash	Issued to foreign institutional investors on private placement basis	7,450,000
November 03, 1994	1,000,000	10	87.70	Cash	Pursuant to conversion of warrants	8,450,000
November 03, 1994	160,000	10	175.00	Cash	Issued on private placement basis	8,610,000
November 03, 1994	25,000	10	170.00	Cash	Issued on private placement basis	86,35,000
November 03, 1994	38,000	10	40.00	Cash	Issued on private placement basis	8,673,000
April 21, 1995	8,673,000	10	40.00	Cash	Rights issue in the ratio of one Equity Share for every one Equity Share held by existing Shareholders	17,346,000
December 09, 1999	10,653,192	10	154.27	Cash	Issued to companies on private placement basis	27,999,192
November 21, 2002	4,382,727	10	220.00	Cash	Allotment pursuant to conversion of unsecured FCCBs	32,381,919
March 01, 2005	1,750,000	10	212.18	Cash	Allotment pursuant to conversion of warrants	34,131,919
April 27, 2005	8,250	10	243.35	Cash	Allotment pursuant to exercise of ESOP Scheme 1999	34,140,169
April 27, 2005	3,550	10	252.00	Cash	Allotment pursuant to exercise of ESOP Scheme 1999	34,143,719
August 02, 2005	44,320	10	243.35	Cash	Allotment pursuant to exercise of ESOP Scheme 1999	34,188,039
August 02, 2005	15,165	10	252.00	Cash	Allotment pursuant to exercise of ESOP Scheme 1999	34,203,204
August 02, 2005	180,000	10	212.18	Cash	Allotment pursuant to conversion of warrants	34,383,204
August 31, 2005	185,084	10	243.35	Cash	Allotment pursuant to exercise of ESOP Scheme 1999	34,568,288
August 31, 2005	115,592	10	252.00	Cash	Allotment pursuant to exercise of ESOP Scheme 1999	34,683,880
August 31, 2005	70,000	10	339.41	Cash	Allotment pursuant to conversion of warrants	34,753,880
September 21, 2005	17,376,940	10	-	Bonus	Bonus issue in the proportion of one Equity Share for every two Equity Shares held as on the record date being September 17, 2005	52,130,820
October 13, 2005	105,000	10	141.46	Cash	Allotment pursuant to conversion of warrants	52,235,820
November 02, 2005	8,650,000	10	195.04	Cash	Allotment pursuant to conversion of GDRs	60,885,820
November 29, 2005	600,000	10	195.04	Cash	Allotment pursuant to conversion of GDRs	61,485,820
December 23, 2005	19,424	10	162.24	Cash	Allotment pursuant to exercise of ESOP Scheme 1999	61,505,244
December 23, 2005	225	10	168.00	Cash	Allotment pursuant to exercise of ESOP Scheme 1999	61,505,469

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue/Offer price per Equity Share (₹)	Nature of considera tion	Nature of allotment	Cumulative number of Equity Shares
March 01, 2006	184,330	10	243.80	Cash	Allotment pursuant to conversion of zero coupon FCCBs	61,689,799
March 07, 2006	460,827	10	243.80	Cash	Allotment pursuant to conversion of zero coupon FCCBs	62,150,626
March 20, 2006	1,751,146	10	243.80	Cash	Allotment pursuant to conversion of zero coupon FCCBs	63,901,772
March 20, 2006	50,000	10	226.28	Cash	Allotment pursuant to conversion of warrants	63,951,772
March 31, 2006	652,531	10	243.80	Cash	Allotment pursuant to conversion of zero coupon FCCBs	64,604,303
March 31, 2006	6,720	10	162.24	Cash	Allotment pursuant to exercise of ESOP Scheme 1999	64,611,023
March 31, 2006	7,159	10	168.00	Cash	Allotment pursuant to exercise of ESOP Scheme 1999	64,618,182
April 18, 2006	414,744	10	243.80	Cash	Allotment pursuant to conversion of FCCBs	65,032,926
April 28, 2006	737,325	10	243.80	Cash	Allotment pursuant to conversion of FCCBs	65,770,251
April 28, 2006	2,250	10	162.24	Cash	Allotment pursuant to exercise of ESOP Scheme 1999	65,772,501
April 28, 2006	1,225	10	168.00	Cash	Allotment pursuant to exercise of ESOP Scheme 1999	65,773,726
May 31, 2006	35,000	10	226.28	Cash	Allotment pursuant to conversion of warrants	65,808,726
May 31, 2006	600	10	162.24	Cash	Allotment pursuant to exercise of ESOP Scheme 1999	65,809,326
May 31, 2006	1,177	10	168.00	Cash	Allotment pursuant to exercise of ESOP Scheme 1999	65,810,503
May 31, 2006	1,238	10	200.44	Cash	Allotment pursuant to exercise of ESOP Scheme 1999	65,811,741
October 19, 2006	4,000	10	200.44	Cash	Allotment pursuant to exercise of ESOP Scheme 1999	65,815,741
January 19, 2007	550	10	168.00	Cash	Allotment pursuant to exercise of ESOP Scheme 1999	65,816,291
May 03, 2007	375	10	162.24	Cash	Allotment pursuant to exercise of ESOP Scheme 1999	65,816,666
May 03, 2007	210	10	168.00	Cash	Allotment pursuant to exercise of ESOP Scheme 1999	65,816,876
May 03, 2007	5,500	10	200.44	Cash	Allotment pursuant to exercise of ESOP Scheme 1999	65,822,376
July 17, 2007	5,650	10	200.44	Cash	Allotment pursuant to exercise of ESOP Scheme 1999	65,828,026
October 18, 2007	6,000	10	200.44	Cash	Allotment pursuant to exercise of ESOP Scheme 1999	65,834,026
December 20, 2007	3,000	10	200.44	Cash	Allotment pursuant to exercise of ESOP Scheme 1999	65,837,026
January 17, 2008	12,750	10	200.44	Cash	Allotment pursuant to exercise of ESOP Scheme 1999	65,849,776
January 17, 2008	1,000	10	193.25	Cash	Allotment pursuant to exercise of ESOP Scheme 2005	65,850,776

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue/Offer price per Equity Share (₹)	Nature of considera tion	Nature of allotment	Cumulative number of Equity Shares
April 26, 2008	7,400	10	200.44	Cash	Allotment pursuant to exercise of ESOP Scheme 1999	65,858,176
April 26, 2008	1900	10	193.25	Cash	Allotment pursuant to exercise of ESOP Scheme 2005	65,860,076
April 26, 2008	125	10	193.25	Cash	Allotment pursuant to exercise of ESOP Scheme 1999	65,860,201
May 29, 2008	16,150	10	200.44	Cash	Allotment pursuant to exercise of ESOP Scheme 1999	65,876,351
May 29, 2008	200	10	193.25	Cash	Allotment pursuant to exercise of ESOP Scheme 2005	65,876,551
May 29, 2008	25	10	193.25	Cash	Allotment pursuant to exercise of ESOP Scheme 1999	65,876,576
August 13, 2008	381,000	10	202.58	Cash	Allotment pursuant to conversion of warrants	66,257,576
August 13, 2008	3,000	10	200.44	Cash	Allotment pursuant to exercise of ESOP Scheme 1999	66,260,576
August 13, 2008	1,000	10	193.25	Cash	Allotment pursuant to exercise of ESOP Scheme 2005	66,261,576
August 29, 2008	4,179,000	10	202.58	Cash	Allotment pursuant to conversion of warrants	70,440,576
August 29, 2008	1,500	10	193.25	Cash	Allotment pursuant to exercise of ESOP Scheme 2005	70,442,076
May 17, 2012	10,000	10	166.15	Cash	Allotment pursuant to exercise of ESOP Scheme 2010	70,452,076
December 22, 2014	14,809,801	10	49.79	Cash	Allotment to promoters on preferential basis as per corporate debt restructuring programme	85,261,877
October 09, 2015	3,702,450	10	49.79	Cash	Allotment to promoters on preferential basis as per corporate debt restructuring programme	88,964,327
Total						**88,964,327**
Pursuant to the CIRP proceeding, Resolution Plan, Supreme Court order dated February 28, 2020, and approval by Monitoring Committee in their meeting held on March 30, 2020 and March 31, 2020, our Company through its Board resolution dated March 31, 2020, reduced and consolidated its existing issued, subscribed and paid-up Equity Share capital from ₹ 889,643,270 consisting of 88,964,327 Equity Shares to ₹ 4,081,640 consisting of 408,164 Equity Shares, thereby cancelling and extinguishing 88,556,163 Equity Shares.						
March 30, 2020	408,164	10	10	Cash	Allotment on preferential basis to eligible secured financial creditors pursuant to conversion (part conversion and settlement) of loan into equity	816,328
March 31, 2020	39,990,072	10	10	Cash	Allotment to DLL pursuant to equity infusion as per Resolution Plan on private placement basis	40,806,400
March 31, 2020	10,000	10	10	Cash	Allotment to DLL (sole shareholder of DPPL) pursuant to Resolution Plan	40,816,400
June 27, 2023	9,902,705	10	403.93	Cash	Allotment to Qualified Institutional Buyers on Qualified Institutional Placement basis	50,719,105
Total						**50,719,105**

vii) Registrar and Share Transfer Agent

M/s. Abhipra Capital Limited,
Address: Abhipra Complex, A-387,
Dilkhush Industrial Area, GT Karnal Road,
Azadpur New Delhi-110033
Email: rta@abhipra.com
Website: www.abhipra.com

viii) Share Transfer System

The Company has appointed M/s. Abhipra Capital Limited as the Registrar and Share Transfer Agent. The Company's Equity share being in compulsory Demat list, are transferable through the depository system.

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form.

Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Further, SEBI vide its circular dated 20th April, 2018 read with circular dated November 03, 2021, has mandated to submit the PAN and Bank Account details by all shareholders to the Registrar and Transfer Agent of the Company. Further, as an ongoing measure, SEBI vide its circular dated March 16, 2023, has made it mandatory for physical securities holders in the listed companies to furnish PAN, Nomination, Contact Details, Bank A/c details and specimen signature for their corresponding folios.

In view of the above, SEBI has directed all listed entities to intimate the physical securities holders in the listed companies to furnish PAN, Nomination, Contact Details, Bank A/c details and specimen signature for their corresponding folios. The Company have sent notices to the shareholders for submission of their PAN, Nomination, Contact Details, Bank Account details for registration / updation in the prescribed formats. All applicable prescribed forms are available under section" Investor Documents" on the following links :

http://www.orchidpharma.com/downloads/InvestorDocuments/ISR-1.pdf
http://www.orchidpharma.com/downloads/InvestorDocuments/ISR-2.pdf
http://www.orchidpharma.com/downloads/InvestorDocuments/ISR-3.pdf
http://www.orchidpharma.com/downloads/InvestorDocuments/ISR-4.pdf
http://www.orchidpharma.com/downloads/InvestorDocuments/Form_No._SH-13.pdf
http://www.orchidpharma.com/downloads/InvestorDocuments/Form_No._SH-14.pdf

Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.,:

a. **For shares held in electronic form**: to their Depository Participants (DPs)

b. **For shares held in physical form**: to the Company/Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/ MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021.

As per the provisions of Section 72 of the Act, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may submit the prescribed Form SH-13 and any change or variation in the nomination in prescribed form SH-14. Form SH-13 and SH-14 may be downloaded from the website of the Company i.e. http://www.orchidpharma.com/downloads/InvestorDocuments/Form_No._SH-13.pdf and http://www.orchidpharma.com/downloads/InvestorDocuments/Form_No._SH-14.pdf Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

In compliance with Regulation 40(9) of the SEBI Listing Regulations, the Company obtains a certificate from a practicing Company Secretary at the end of the financial year certifying that all certificates have been issued within thirty days of the date of lodgement for transfer, subdivision, consolidation, renewal, exchange or endorsement of calls/allotment monies. A copy of the certificate, so received, is submitted to the stock exchange(s). The Company has received no request for transmission of share during the year. The Company is not accepting any new request for effecting transfer of securities in physical mode. The transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. Therefore, the shareholders of the Company are requested to get their physical shares dematerialised for any further transfers. The Company is not accepting any new request for effecting transfer of securities in physical mode. The transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form.

ix) Distribution of Shareholding as on March 31, 2023

S.No.	No. of equity shares	No. of shareholders	% of Shareholders	No. of shares	% of Shareholding
1	Upto 100	28584	94.75	288627	0.71
2	101 – 500	1121	3.72	264342	0.65
3	501 – 1000	227	0.75	169504	0.42
4	1001 – 2000	106	0.35	154922	0.38
5	2001 – 5000	74	0.25	248372	0.61
6	5001 – 10000	18	0.06	123615	0.30
7	10001 – 20000	17	0.06	243515	0.60
8	20001 – 30000	7	0.02	178276	0.44
9	30001 – 40000	3	0.01	107396	0.26
10	40001 – 50000	0	0.00	0	0.00
11	50001 - 100000	3	0.01	246477	0.60
12	100001 - 500000	6	0.02	1071397	2.62
13	Above 500000	2	0.01	37719957	92.41
	Total	**30,168**	**100.00**	**40816400**	**100.00**

x) Dematerialization of Shares and Liquidity

The Company's Equity Shares are in compulsory demat segment and are available for trading under dematerialized form with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2023, 4,08,12,862 Equity Shares of the Company, forming 99.99% of the total issued and paid up Equity Share Capital of the Company, were 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 3,527 Equity Shares were held in physical mode as on March 31, 2023.

xi) Reconciliation of Share Capital Audit

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

xii) Shareholding Pattern as on March 31, 2023

	Category	No. of Shares held	% of Shareholding
A	**PROMOTERHOLDING**[1]		
	Promoters/Promoter Group *Note 1*		
	(a)Indian	3,67,19,957	89.96
	(b)Foreign	-	-
	Sub-Total(1)	**3,67,19,957**	**89.96**
B	**NON-PROMOTERHOLDING**[2]		
B1	**Institutional Investors**		
	(a) Mutual Funds	10,00,001	2.45
	(b) Banks,FinancialInstitutions,InsuranceCompanies (Central/StateGovt.Institutions/Non-government Institutions) and Limited Liability Partnerships	71,272	0.17
	(c) Foreign Portfolio Investors	3,31,304	0.81
	Sub-Total(2)	**14,02,577**	**3.43**

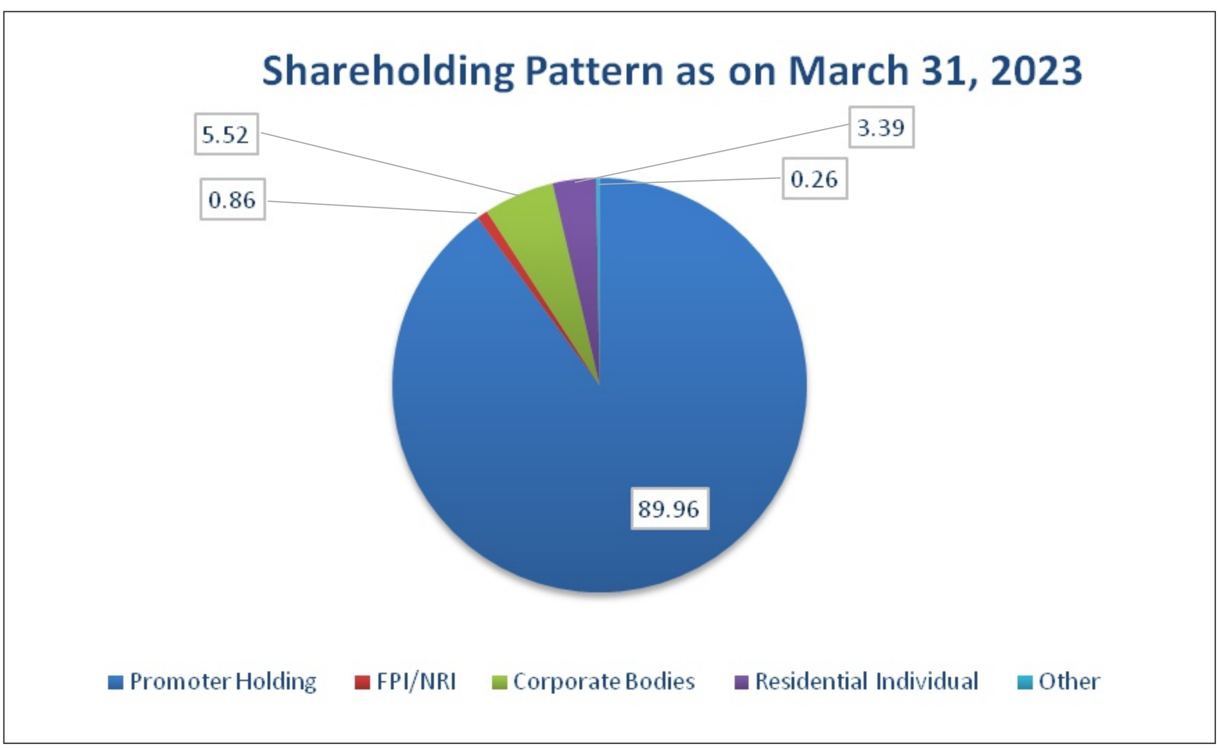
	Category	No. of Shares held	% of Shareholding
3	**OTHERINVESTORS**		
	(a) Corporate Bodies	11,82,770	2.9
	(b) Indian Public (Resident Individuals)	13,80,868	3.39
	(c) Non Resident Indians / Overseas Corporate Bodies	21,610	0.05
	(d) Foreign Companies	68	0
	(e)IEPF	567	0
	(f) Trusts	4	0
	(g) HUF	107961	0.26
	(h) Clearing Members	18	0
	(i) Overseas depository/GDR /Others	0	0
	SubTotal(3)	**26,93,866**	**6.6**
	GRANDTOTAL(1+2+3)	**4,08,16,400**	**100.00**

Note 1: Board of Directors Company at its meeting held on June 27, 2023, issued and allotted 99,02,705 Equity Shares of face value ₹of Rs. 10 each on Qualified Institutional Placement basis in accordance to the SEBI (Issue of Capital and Disclosure Requirement) Regulations read with applicable provisions of Companies Act 2013. Pursuant to the aforementioned allotment of Equity Shares, the paid-up equity share capital of the Company stands increased from ₹ 408,164,000 comprising of 40,816,400 Equity Shares to ₹50,71,91,050 comprising of 5,07,19,105 Equity Shares.

Consequently, the Promoter Shareholding in the Company stands decreased from 89.96% to 72.40% whereas the Public shareholding increased from 10.04% to 27.60% w.e.f. June 27, 2023. The Company complied with the MPS requirement w.e.f. June 27, 2023.

[1]For definitions of "Promoter" and "Promoter Group" refer to Regulation2(w) of SEBI Listing Regulations.

[2]For definition of "Public Shareholding", refer to Regulation2(y) of the SEBI Listing Regulations.



xiii) 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 2022-23. During the Financial year 2022-2023, the Company has transferred Nil equity shares to the Investor Education and Protection Fund Authority pursuant to Section 124(6) read with 125 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). 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.

xiv) Outstanding Global Depository Receipts (GDRs) / American Depository Receipts (ADRs) / Warrants or any other Convertible instruments, conversion date and likely impact on equity

The Company has no outstanding ADR/GDR as on March 31, 2023.

As per the approved Resolution plan, your Company has issued 14,300 Zero Coupon, unsecured, 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").

xv) Equity Shares in the Suspense Account

There are no outstanding shares lying in the suspense account as on March 31, 2023.

xvi) Plant Locations:

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

Plot Nos. 139 to 146, 138&147, 148 to 151, 159 to 164, 126 to 128, 85 to 87, 98 to100, 121 & 122, 124, 125 & 132, 133, 128A, 123, 53 to 55 & 82 to 84 of SIDCO Industrial Estate, Alathur, Thiruporur Taluk, Chengalpattu District, PIN 603 110, Tamil Nadu, India and Survey Nos. 257, 259, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 284, 285, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 250/3A of Pattipulam Village, Thiruporur Taluk, Chengalpattu Distrct, Tamil Nadu, India.

b) Formulations (Finished Dosage Form) Facilities

i) A10 & A11, SIDCO Industrial Estate Alathur, Thiruporur Taluk, Chengalpattu District, PIN 603 110, Tamil Nadu, India

ii) 62 & 77, SIDCO Industrial Estate, Alathur, Thiruporur Taluk, Chengalpattu District, PIN 603 110, Tamil Nadu, India

xvii) Credit Rating and Change /Revision in Credit Rating of the Company during the Financial Year 2022-23

During the Financial Year 2022-2023, CARE (CARE Ratings Ltd) had revised/assigned the Credit Rating of the following instruments:

Rating Agency	Instrument Type	Amount	Existing rating/outlook	Revised rating/ outlook/ Assigned	Rating action
CARE Ratings Limited	Long term bank facilities	Rs.289.65 Crores (Enhanced from Rs. 261 Crores)	CARE BBB-; Stable (Triple B Minus; Outlook: Stable)	CARE BBB ; Stable	Revised from CARE BBB- (Rating watch with developing implications) and removed from rating watch with developing implication; Stable outlook assigned
	Long term/ Short term bank facilities	Rs. 75.00Crores	Assigned	CARE BBB; Stable/CAREA3+	Assigned
	Short Term bank facilities	Rs. 99.00 Crores (Enhanced from 50.00 crores	CARE A3	CARE A3+	Revised from CARE BBB- (Rating watch with developing implications) and removed from rating watch with developing implication;
	Long term bank facilities	Rs.261.00 Crores	CARE BBB- (CWD) (Triple B Minus) (Under Credit watch with Developing Implications)	CARE BBB- (RWD) (Triple B Minus) (Rating Watch with Developing Implications)	Revised from CARE BBB- (CWD) (Triple B Minus) (Under Credit watch with Developing Implications) to CARE BBB- (RWD) (Triple B Minus) (Rating Watch with Developing Implications)
	Short Term bank facilities	Rs. 50.00 Crores	CARE A3 (CWD) (A Three) (Rating Watch with Developing Implications)	CARE A3 (RWD) (A Three) (Under Credit watch with Developing Implications)	Revised from CARE A3 (CWD) (A Three) (Rating Watch with Developing Implications) to CARE A3 (RWD) (A Three) (Under Credit watch with Developing Implications)

I. INVESTOR CONTACTS

i) Address for Correspondence with the Company
Details of Compliance Officer
Ms. Marina Peter
Company Secretary
"Orchid Towers", 313 Valluvar Kottam High Road, Nungambakkam, Chennai – 600 034.
E-mail: cs@orchidpharma.com
Website: www.orchidpharma.com

ii) For Securities held in Physical form
M/s. Abhipra Capital Limited,
Address: Abhipra Complex, A-387,
Dilkhush Industrial Area, GT Karnal Road,
Azadpur New Delhi-110033
Email: rta@abhipra.com
Website: www.abhipra.com

iii) For Securities held in Demat form
To the Investors' Depository Participant(s) and/or M/s Abhipra Capital Limited

Equity Shares in Suspense Account
There are no outstanding shares lying in the suspense account as on March 31, 2023.

OTHER DISCLOSURES

i) Materially Significant Related Party Transaction

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

All the contract/arrangements/transactions entered into with Related Parties as per the Act and Regulation 23 of the SEBI Listing Regulations during the Financial Year 2022-23 were in ordinary course of business and on an arm's length basis and do not attract provisions of Section 188 of the Act. The required statements / disclosures with respect to the related party transactions are placed before the Audit Committee on regular basis. Suitable disclosures so required are in accordance with the Indian Accounting Standards (Ind-AS) as notified under Section 133 of the Act have been made in notes to the Financial Statements of the Company for the year ended March 31, 2023.

Further, the Company has submitted a report on all related party transactions entered into by the Company on consolidated basis on half yearly periodicity as per the format prescribed in the relevant accounting standards to NSE and BSE within prescribed timeline of publication of the standalone and consolidated Financial Results. The said reports have also been posted on the Company's website and can be accessed at http://www.orchidpharma.com/invr_intimation.aspx

Details of material transactions with the related parties entered into during the year is disclosed in Form – AOC – 2 annexed to this report as Annexure–VIII.

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

I. 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. The Company had made necessary representations to NSE and BSE for the waiver imposed and during the year under review, BSE Limited has waived off the fine imposed towards non- compliance with Regulation 6(1) of the SEBI (LODR) Regulations, 2015;

II. Pursuant to implementation of the Resolution Plan approved by Hon'ble National Company Law Tribunal under section 31 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Company was required to bring the public shareholding to twenty-five per cent within a maximum period of three years from the date of such fall, in the manner specified by the Securities and Exchange Board of India.

In an effort to maintain minimum public shareholding at 25%, the Company made an offer for sale, in which the promoter of the Company, i.e., Dhanuka Laboratories Limited, sold 32,80,115 equity shares, representing 8.04% of equity shareholding in the Company in the year 2021. After the offer for sale, the promoter of the Company held 90% of the equity shares, bringing the public shareholding to 10% within 18 months from the date of acquiring the Company.

Further, the Company initiated the process of raising capital by qualified institutional placement to meet the condition of Minimum Public Shareholding of 25% by issuing additional shares though QIP. However due to poor market conditions the same could not be achieved as on March 31, 2023.

In view of the above, the Company has submitted application to SEBI and National Stock Exchange of India Limited and BSE Limited (*collectively herein referred as* **Stock Exchanges**) under Regulation 102 of the SEBI Listing Regulations along with applicable fee and requested for extending the timeline by one year to meet the MPS requirement. However, Stock Exchanges vide its letters dated April 20, 2023 initiated freezing action against the Company **as SEBI Circular No. CFD/CMD/CIR/P/2017/115 dated October 10, 2017,** for non-compliance in meeting the minimum public shareholding requirement laid under Regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further directed the Promoters, Promoter Group and Directors of the Company not to hold any new position as director in any other listed entity till the date of compliance.

As per the aforesaid SEBI Circular, the Stock Exchanges levied penalty of Rs. 5,000/- plus GST on the Company for period ended March 31, 2023 and the Company paid the same.

However, the Board of Directors at its meeting held on June 27, 2023, approved the allotment of 99,02,705 Equity Shares on Qualified Institutional Placement basis in accordance to the SEBI (Issue of Capital and Disclosure Requirement) Regulations read with applicable provisions of Companies Act, 2013. Pursuant to the aforementioned allotment of Equity Shares, the paid-up equity share capital of the Company stands increased from ₹ 408,164,000 comprising of 40,816,400 Equity Shares to ₹ 50,71,91,050 comprising of 5,07,19,105 Equity Shares.

Consequently, the Promoter Shareholding in the Company stands decreased from 89.96% to 72.40% whereas the Public shareholding increased from 10.04% to 27.60% *w.e.f.* June 27, 2023.

The Company is in compliance with the requirement of Minimum Public Shareholding as per Regulation 38 of SEBI LODR Regulations read with Rule 19A(5) of SCRR Rules *w.e.f.* June 27, 2023.

However, the Stock Exchanges vide their letter dated July 06, 2023, has levied penalty of Rs. 5,19,200/- towards non-compliance for a period commencing from April 01, 2023 till June 26, 2023. In the matter, the Company is in process of filing Waiver Application to Stock Exchanges as on date of this report

iii) Vigil Mechanism and Whistle Blower Policy

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism in form of Whistle Blower Policy ("Policy or Mechanism") for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy and any leak/suspected leak of Unpublished Price Sensitive Information. Policy is applicable to all the Directors of the Company, permanent & contractual employees of the Company based in India or outside, employees of other agencies deployed for the company, contractors, vendors, suppliers or agencies (or any of their employees), customers of the Company and any other person having an association with the Company. Mechanism also provide for adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee. No person has been denied access to the Audit Committee.

The Whistle blower Policy adopted by the Company may be accessed at http://www.orchidpharma.com/downloads/Policy%20on%20%20Whistle%20Blower.pdf

iv) Policy on dealing with related party transactions and determining material subsidiaries

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/RPT.pdf & http://www.orchidpharma.com/downloads/Policy%20for%20determining%20material%20subsidiaries.pdf

v) 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.

vi) Dividend Distribution Policy:

The Company had adopted a Dividend Distribution (Policy) which defines the financial parameters and factors that to be considered for declaration and payment of dividend to its shareholders. The declaration and distribution of dividends, whether interim or final, will at all times, be in accordance with the Act and SEBI Listing Regulations, such other applicable laws and Article of Association of the Company as amended.

The Dividend Distribution Policy of the Company is posted on the website of the Company i.e. http://www.orchidpharma.com/downloads/Dividend%20Distribution%20policy.pdf There has been no change in the said Policy during the Financial Year ended March 31, 2023.

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

Pursuant to Sections 23, 42, 62 of the Companies Act, 2013 read with rules framed thereunder and all relevant provisions of the Memorandum and Articles of Association read with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with SEBI Listing Regulations, as amended from time to time and all other applicable laws and regulations, the Board of Directors at its meeting held on December 01, 2022 approved to raise funds through issuance of Equity Shares of the Company for a Face Value of Rs. 10/- each, in one or more tranches, in such form and manner and upon such terms and conditions as the Board may in its absolute discretion deem appropriate, on Qualified Institutional Placement (QIP) basis, for an aggregate amount not exceeding Rs. 500 Cr. (Rupees Five Hundred Crores only) to eligible Qualified Institutional Buyers.

In the matter, the shareholders passed a special resolution at the extra-ordinary general meeting of the Company held on December 29, 2022 and approved the QIP process. The Company launched Preliminary Placement Document/Placement Document on June 22, 2023 and June 27, 2023 respectively.

In the matter, the Company obtained In-Principle approval on June 22, 2023, consequently, the Board of Directors at its meeting held on June 27, 2023, approved the allotment of 99,02,705 Equity Shares on Qualified Institutional Placement basis in accordance to the SEBI (Issue of Capital and Disclosure Requirement) Regulations read with applicable provisions of Companies Act, 2013. Pursuant to the aforementioned allotment of Equity Shares, the paid-up equity share capital of the Company stands increased from ₹ 408,164,000 comprising of 40,816,400 Equity Shares to ₹50,71,91,050 comprising of 5,07,19,105 Equity Shares.

Further, the Company obtained Listing and trading approval on the aforesaid allotment of equity shares on June 30, 2023.

viii) Certificate from Company Secretary in Practice for Non-disqualification of Directors

Mr. Ashok, Partner, M/s. VAPN & Associates, Practicing Company Secretaries, has issued a certificate as required under the SEBI Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority. The said Certificate forms part of this Annual Report.

ix) 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

x) Total Fees for all Services paid by the Company and its Subsidiaries on consolidated basis to Statutory Auditors and all entities in the Network Firm/Network Entity of which the Statutory Auditor is a part

During the year under review the total fees for all services paid by the Company and its subsidiaries, on consolidated basis, to the Statutory Auditors are as follows:

Particulars	For the Year ended 31-Mar-23	For the Year ended 31-Mar-22
As Auditor:		
Audit Fees	16.50	18.00
For issuing limited review reports	7.50	12.00
Tax Audit Fees	2.00	2.50
In other Capacity:		
Fees For Other Services (*Primarily include certification services*)	9.25	1.82
For Reimbursement of Expenses/Out of pocket expenses	-	0.21
Total	**35.25**	**34.53**

xi) Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder, the details of the cases reported during the Financial Year 2022-23 are mentioned hereunder:

Particulars	Financial Year 2022-23
Number of complaints in the beginning of the F.Y.	Nil
Number of complaints reported during the F.Y.	Nil
Number of complaints disposed during the F.Y.	Nil
Number of complaints remaining unresolved/pending as at the end of F.Y.	Nil

xii) Disclosure by Listed Entity and its subsidiaries of "Loan and advances" in the nature of Loans to Firms/ Companies in which Directors are interested

There were no loans and advances by the Company or it's subsidiaries in the nature of loans to firms / companies in which the Directors of the Company are interested except as disclosed below:

The Company has received inter-corporate loan of Rs. 8,40,00,000/- as on March 31, 2023 from Orchid Bio-Pharma Ltd, wholly owned subsidiary.

xiii) Details of Compliance with Mandatory Requirements

The Company has complied with the mandatory requirements of Corporate Governance as require under SEBI Listing Regulations for the financial year 2022-2023.

xiv) Details of Adoption of Non-Mandatory requirements

The Company has adopted the non-mandatory requirements of Regulation 27 read with Part E of Schedule II of the SEBI Listing Regulations in following manner.

a) 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.

b) Shareholder Rights

The quarterly results of the company are published in one English and one Tamil newspaper having wide circulation in Tamil Nadu, normally Financial Express and Makkal Kural. Further, the quarterly results are also posted on the website of the Company at http://www.orchidpharma.com/invr_intimation.aspx 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. The complete copy of the Annual Report is sent to the shareholders of the Company. Further, the Company also publish the other important notices/information in English newspaper (Financial Express) and a Tamil newspaper (Makkal Kural), having wide circulation in Delhi besides uploading the same on the website of the Company.

c) Modified Opinion(s) in Audit Report

The Company believes in maintaining its accounts in a transparent manner and aims at receiving unqualified report of auditors on the financial statements of the Company. The modified opinion may be referred to in Independent Auditors' Report on the Consolidated Financial Statements for the financial Year2022-2023.

d) Reporting of Internal Auditor

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

xv) 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.

xvi) 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.

xvii) Management Discussion and Analysis Report

The Management Discussion and Analysis report forms part of the Annual Report.

xviii) Certificate on Corporate Governance

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

xix) CEO/ CFO Certification

The certificate duly signed by the Managing Director and Chief Financial Officer confirming compliance of the Company pursuant to Regulation 17(8) read with Part B of Schedule II of the SEBI Listing Regulations was placed before the Board at its meeting and the same is annexed and forms part of this Annual Report.

xx) Code of Conduct

In compliance with Regulation 17 of the SEBI Listing Regulations, the Board of Directors has laid down a Code of Conduct ("the Code") for Board members and Senior Management Personnel of your Company. Independent Directors shall also ensure compliance with Code for Independent Directors formulated in accordance with Schedule IV of the Act and the Listing Regulations.

The Code is posted on your Company's website http://www.orchidpharma.com/downloads/codeofconduct/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.

xxi) Procedures for fair disclosure of Unpublished Price Sensitive Information and Prevention of Insider Trading

The Company has adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Fair Disclosure Code") and Code of Conduct for Prevention of Insider Trading ("Insider Code") with a view to deal with Unpublished Price Sensitive Information and trading in securities by Directors, Employees of the Company / Designated Persons and Connected Persons. The Company Secretary is Compliance Officer for the purpose of Insider Code. Both the Fair Practice Code and Insider Code have been posted on the website of the Company on the following links http://www.orchidpharma.com/downloads/codeofconduct/Code%20for%20fair%20disclosure%20and%20conduct.pdf

xxii) 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 familiarization 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	NA
Schedule of analyst or institutional investor meet and presentations made by the listed entity to analysts or institutional investors simultaneously with submission to stock exchange	Yes
Advertisements as per regulation 47 (1)	Yes
Credit rating or revision in credit rating obtained by the entity for all its outstanding instruments	Yes
Separate audited financial statements of each subsidiary of the listed entity in respect of a relevant financial year	Yes
Whether company has provided information under separate section on its website as per Regulation 46(2)	Yes
Materiality Policy as per Regulation 30	Yes
Dividend Distribution policy as per Regulation 43A	Yes

MD / CFO CERTIFICATION

{***Under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015***}

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Orchid Pharma Limited ("the Company") certify that:

(a) We have reviewed the audited financial statements for period ended March 31, 2023 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 period ended March 31, 2023, 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 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:

(1) that there are no significant changes in internal control over financial reporting during the period ended;

(2) that there are no significant changes in accounting policies during the quarter and that the same have been disclosed in the notes to the financial statements; and

(3) that there are no 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.

Sd/-

Manish Dhanuka
Managing Director
DIN : 00238798

Sd/-

Sunil Kumar Gupta
Chief Financial Officer

Place: Gurugram
Date: May 10, 2023

CODE OF CONDUCT CERTIFICATION

This is to certify that Orchid Pharma Limited ("Company") has laid down a Code of Conduct ("Code") for all Board Members and Senior Management Personnel of Company and a copy of the Code is also uploaded on the website of the Company viz. www.orchidpharma.com .

It is further certified that that all Directors and Senior Management Personnel of the Company have affirmed their compliance with the Code for the year ended March 31, 2023, as envisaged in Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place: Gurugram
Date: May 10, 2023

Sd/-

Manish Dhanuka
Managing Director
DIN : 00238798

CORPORATE GOVERNANCE CERTIFICATE

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

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

This certificate is being issued to **Orchid Pharma Limited ("the Company")**, on compliance with the conditions of Corporate Governance as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2), and para C, D, and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (collectively referred to as **'SEBI Listing Regulations, 2015'**) **('applicable criteria')** with respect to Corporate Governance for the year ended March 31, 2023. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management Responsibility:

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

Our Responsibility:

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

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2023.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management along with the Board of Directors of the Company, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, as applicable on the Company for the year ended March 31, 2023.

Other Matters and Restrictions on use:

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

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

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

Sd/-
Ashok
Partner
ACS No: 55136 | COP No: 20599
UDIN: A055136E000591971

Place: New Delhi
Date: July 12, 2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

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

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

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal www.mca.gov.in), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorised representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the financial year ended March, 2023, have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

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

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

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

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the financial year ended March 31, 2023.

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

Sd/-
Ashok
Partner
ACS No: 55136 | COP No: 20599
UDIN: A055136E000591958

Place: New Delhi
Date: July 12, 2023

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 2022-2023.

Name of Director	Director's Remuneration (In Rs.)	Median remuneration of mployees for the FY 2022-2023 (in Rs.)	Ratio of remuneration of each Director to median remuneration of employees
Shri Manish Dhanuka Managing Director	1,18,10,503	6,18,743	19.08 times
Shri Mridul Dhanuka Wholetime Director	1,18,10,503	6,18,743	19.08 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 2023 as compared to 2022
Shri Manish Dhanuka, Managing Director	10%
Shri Mridul Dhanuka, Whole Time Director	10%
Shri Sunil Kumar Gupta, Chief Financial Officer	Not applicable@
Smt. Marina Peter, Company Secretary	Not Applicable*

@ Shri. Sunil Kumar Gupta, Chief Financial Officer did not draw any remuneration from the Company for the Financial Year 2020- 2021 , 2021-2022 and 2022-2023.

*Smt. Marina Peter, was appointed as Company Secretary (designated as KMP) w.e.f. November 14, 2022. Hence she will be eligible for an increment in the next financial year.

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

The percentage increase in median remuneration of employees during the financial year was 7.03%

d. Number of permanent employees on the rolls of Company (as of 31st March, 2023): 941

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

Increase of remuneration for employees other than the managerial personnel was in the varying range of 10% to 10.7% and for KMP the increase was in the varying range of 10% to10.9% for the financial year 2022-2023

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

Sd/-	Sd/-
Manish Dhanuka	**Mridul Dhanuka**
Managing Director	**Whole Time Director**
DIN:00238798	**DIN:00199441**

Place: Gurugram
Date: July 12, 2023

Annexure VI to the Board's Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2023

[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

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,** (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.

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 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, hereby report that in our opinion and understandings, the Company, during the audit period covering the financial year ended on **March 31, 2023,** appears to have complied with the statutory provisions listed hereunder and also in our limited review, 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, 2023** according to the applicable provisions of:

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

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

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

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

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

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

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

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

   d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   e) The Securities and Exchange Board of India(Issue and Listing of Non-Convertible Securities) Regulations, 2021;

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

   g) The Securities and Exchange Board of India(Delisting of Equity Shares) Regulations, 2021; and

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

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), and

ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

With regard to non-maintenance of Minimum Public Shareholding as prescribed under Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957 and Regulation 38 of SEBI (LODR) Regulations, 2015, the company had filed an application with the stock exchanges seeking relaxation from the requirement. However freezing action was initiated against the Promoters and Promoters Group of Company on April 20, 2023 and NSE & BSE had directed the Promoters, Promoter Group and Directors of the Company that they shall not hold any new position as director in any other listed entity till the date of compliance with requirements of Regulation 38 of the Listing Regulations. On 27th June, 2023 Company made qualified institutions placement of equity shares and the requirement of Minimum Public Shareholding is complied with from the said date.

It is represented to us that the company has initiated measures, wherever required, to address issues raised by the Statutory Authorities and Letters/Notices received by the Company during the financial year under various enactments as applicable to the company.

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

The Board of Directors of the Company is constituted as applicable with proper balance of Executive Directors, Non-Executive Directors and Independent Directors in compliance with the provisions of the Act 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.

Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance 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, if any, are captured and recorded as part of the minutes.

We further report that based on our limited review of the compliance mechanism established by the Company, 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, during the period, the Company has sought approval (other than Ordinary Business) from its members for the following business:

- To consider and approve raising of funds through issuance of Equity shares of the Company for an aggregate amount up to Rs.500 crores on Qualified institutional Placement basis;
- Ratification of Remuneration to the Cost Auditor for the Financial year 2022-23;
- Approval for Material Related Party Transactions with M/s. Otsuka Chemicals (India) Private Limited.

We further report that, during the FY 2021-22 a scheme of amalgamation of M/s. Dhanuka Laboratories Limited with M/s. Orchid Pharma Ltd. was proposed and during FY 2022-23, an application was made to Hon'ble NCLT, Chennai seeking interalia, order for convening meeting of equity shareholders and creditors, which was dismissed vide order dated 09th September, 2022 against which Company filed an appeal with Hon'ble NCLAT, Chennai on December 05, 2022 praying for setting aside of the said order of NCLT, Chennai and for directing NCLT, Chennai to give a fresh opportunity of being heard to the Company. Subsequently, company decided to defer the proposed Scheme of Amalgamation and arrangement and accordingly filed an application for withdrawal of the appeal filed before Hon'ble NCLAT which was permitted vide order of Hon'ble NCLAT dated January 05, 2023.

We further report that our Audit was 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. The compliance with provisions of applicable laws which have been subject to other audits have not been independently reviewed by us and the reports wherever shown to us have been relied upon in rendering our report.

We further report that we have conducted the secretarial audit whenever required through online verification and examination of records, as requested and facilitated by the company, for the purpose of issuing this Report.

For **S DHANAPAL & ASSOCIATES LLP**
(Practicing Company Secretaries)
Peer Review Certificate No.1107/2021

Sd/-
N. RAMANATHAN
(Designated Partner)
FCS. 6665
CP No. 11084
UDIN : F006665E000590347

Place: Chennai
Date: 12.07.2023

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

Annexure to Secretarial Audit Report

To

The Members,
ORCHID PHARMA LIMITED,
Chennai

Auditor's responsibility

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our report of even date is to be read along with this letter.

1. 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.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company and for which we relied on the report of statutory auditor.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **S DHANAPAL & ASSOCIATES LLP**
(Practicing Company Secretaries)
Peer Review Certificate No.1107/2021

Sd/-
N. RAMANATHAN
(Designated Partner)
FCS. 6665
CP No. 11084
UDIN : F006665E000590347

Place: Chennai
Date: 12.07.2023

Annexure VII
Form AOC-1
Pursuant to First proviso to sub-section (3) of section 129 read with Rule 5 of companies (Accounts) Rules, 2014
Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint ventures
Part "A": Subsidiaries

S. No.	Name of the subsidiary	Orchid Pharmaceuticals Inc., and Subsidiaries, USA		Bexel Pharmaceuticals Inc., USA		Orchid Pharmaceuticals SA (Proprietary) Limited South Africa		Diakron Pharmaceuticals Inc, USA		Orchid Bio-pharma Ltd, Inida
1	The date since when subsidiary was acquired	25.08.2005		13.10.2005		1.11.2006		28.07.2010		24.03.2022
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Apr '22 - March '23		Apr '22 - March '23		Apr '22 - March '23		Apr '22 - March '23		Apr '22 - March '23
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	USD 82.56		USD 82.56		ZAR 4.57		USD 82.56		Rs. in Lacs
		$	Rs in Lakhs	$	Rs in Lakhs	RAND	Rs in Lakhs	$	Rs in Lakhs	
4	Share capital	100.00	8,256.00	35,895.27	29,63,513.49	3,03,638.00	13,87,625.66	0.00	0.00	10000
5	Reserves & surplus	-59,05,971.00	-48,75,96,965.76	-2,13,050.52	-1,75,89,450.93	-3,03,638.00	-13,87,625.66	-38,27,115.55	-31,59,66,659.81	0
6	Total assets	14,62,746.00	12,07,64,309.76	5.00	412.80	0.00	0.00	3,228.45	2,66,540.83	47114853
7	Total Liabilities	14,62,746.00	12,07,64,309.76	5.00	412.80	0.00	0.00	3,228.45	2,66,540.83	47114853
8	Investments	–	-	-	-	0.00	0.00	0.00	0.00	0.00
9	Turnover	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Profit before taxation	-6,92,470.00	-5,71,70,323.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Provision for taxation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12	Profit after taxation	-6,92,470.00	-5,71,70,323.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13	Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14	% of shareholding	100%		100%		100%		76.65%		100%

Orchid Europe Limited, United Kingdom has been Wound Up during the year .

Part "B": Associates and Joint Ventures

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

1	Name of Associates/Joint Ventures	OrBion Pharmaceuticals Private Limited
2	Date on which Associate or joint venture was associated/ acquired	14.06.2021
2	Latest audited Balance Sheet Date (Unaudited)	31-03-2023
3	Shares of Associate/Joint Ventures held by the company on the year end	
	No.	4,55,00,000
	Amount of Investment in Associates/Joint Venture	45,50,00,000
	Extend of Holding %	26%
4	Description of how there is significant influence	Associate
5	Reason why the associate/joint venture is not consolidated	Consolidated
6	Networth attributable to Shareholding as per latest audited Balance Sheet	39,82,37,722.44
7	Profit / Loss for the year	
	i. Considered in Consolidation (Loss)	-2,15,35,280
	ii. Not Considered in Consolidation	Nil

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

1. Names of associates or joint ventures which are yet to commence operations-Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year-Nil

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

Sd/-
Manish Dhanuka
Managing Director
DIN: 00238798

Sd/-
Mridul Dhanuka
Whole-Time Director
DIN: 00199441

Sd/-
Sunil Kumar Gupta
Chief Financial Officer

Sd/-
Marina Peter
Company Secretary

Place: Gurugram
Date: July 12, 2023

Annexure VIII to the Board's Report
Form AOC-2
(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

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

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

SL. No.	Particulars	Details			
	Name (s) of the related party	**Dhanuka Laboratories Limited**	**Synmedic Laboratories Limited**	**Otsuka Chemicals (India) private Limited**	**Dhanuka Laboratories Limited**
a)	Nature of relationship	Holding Company	Director of the Company is a Director (common Directorship) & Member	a private company in which: - Director of the Company is a Director (common Directorship)/ Member	Holding Company
b)	Nature of contracts/ arrangements/ transactions	Purchase of land	Purchase of land	Purchase of raw materials	Purchase of Materials
c)	Duration of the contracts/ arrangements/ transactions	On-going	On-going	April 2022-March 2023	April 2022-March 2023
d)	Salient terms Including justification for the contracts or arrangements or transactions including the value, if any	The related party transactions entered during the year were not in the ordinary course of business and was at arm's length basis. The consideration towards the purchase of aforesaid land and property is Rs.26.96 Crores (Plus taxes, stamp duty, registration fees and such other charges wherever applicable) of which balance of Rs.20.22 Crores has been remitted during the Financial year 2022-2023	The related party transactions entered during the year were not in the ordinary course of business and was at arm's length basis. The consideration towards the purchase of aforesaid land and property is Rs. 19.71 Crores (Plus taxes, stamp duty, registration fees and such other charges wherever applicable) of which balance of Rs. 14.78 Crores has been remitted during the Financial year 2022-2023	The related party transactions entered during the year were in the ordinary course of business and at arm's length basis. Otsuka Chemical (India) Private Limited is the only approved source of the Key Raw Material GCLE for the Company. The aggregate amount of transactions entered into during the financial year ended March 31,2023 was Rs.134.07 Crores	The related party transactions entered during the year were in the ordinary course of business and was at arm's length basis. The aggregate amount of transac-tions entered into during the financial year ended March 31, 2023 was Rs.21.73 Crores
e)	Date(s) of approval by the Board, if any	November 01, 2021	November 01,2021	May 12, 2022	May 12, 2022
f)	Amount paid as advances, if any	Nil	Nil	Nil	Nil

However, no loan was availed during the Financial Year 2022-2023.

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

Sd/-
Manish Dhanuka
Managing Director
DIN:00238798

Sd/-
Mridul Dhanuka
Whole-Time Director
DIN:00199441

Place: Gurugram
Date :July 12, 2023

Annexure IX to the Board's Report

Statement on Impact of Audit Qualifications (for audit reports with modified opinion) submitted along with Annual Audited Financial Results

Statement on Impact of Audit Qualifications Submitted for the Financial Year ended March 31, 2023 – Consolidated Basis [Pursuant to Regulation 33 & 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

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 and exceptional Income)	72,453.93	72,453.93
	2	Total Expenditure (Including finance cost and exceptional items)	67,822.10	67,822.10
	3	Net Profit / (Loss)	4,631.83	4,631.83
	4	Earnings per Share (In Rs.)	11.35	11.35
	5	Total Assets	1,22,520.63	1,22,520.63
	6	Total Liabilities	53,655.73	53,655.73
	7	Net worth	68,864.90	68,864.90
	8	Any Other Financial item(s) (as felt appropriate by the management)	-	-

II	Audit Qualification (Each audit qualification separately)	
1	(a)	**Details of Audit Qualification:**

The Consolidated Financial Statements for the year ended March 31, 2023 include the financial statements for the year ended March 31, 2023, of the following subsidiary companies:

(i) Orchid Europe Limited, UK (Upto 27th September 2022)
(ii) Orchid Pharmaceuticals Inc., USA
(iii) Bexel Pharmaceuticals Inc., USA
(iv) Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa
(v) Diakron Pharmaceuticals, Inc. USA
(vi) Orchid Bio-Pharma Limited

The consolidated financial statements also include the results of M/s Orbion Pharmaceuticals Private Limited, an associate company accounted under equity method.

We did not audit the financial statements of the above subsidiaries and Associate whose financial statements reflect total Assets of Rs.2253.16 Lakhs and net Assets of Rs.(-)4331.36 Lakhs as at March 31, 2023, total revenue from operations of Rs. Nil and Rs.Nil, total comprehensive income after tax of Rs.(-) 571.70 Lakhs and Rs.(-) 571.70 Lakhs for the quarter and year ended March 31, 2023 respectively and net cash flows amounting to Rs.43.30 Lakhs for the year ended on that date as considered in the consolidated financial statements. We also did not audit the Group's share of net Profit / loss (after tax) of Rs.(-) 1.60 Lakhs and Rs.(-) 215.35 Lakhs of the associate for the quarter and year ended March 31, 2023 respectively, as considered in the consolidated financial statements.

The financial statements of the subsidiaries and associate are unaudited and have been furnished to us by the management and our opinion on the Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries and associate, is based solely on such unaudited financial statements. Accordingly, we do not express any opinion on the completeness and true and fair view of the financial statements, including adjustments, if any, required on the carrying amount of assets and liabilities of the above subsidiaries and associate and foreign currency translation reserve as at March 31,2023 included in the consolidated financial statements. This has also been qualified in the Limited Review reports of the earlier quarters and audit reports of the earlier years, audited by the predecessor auditor.

	(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, and South Africa. Audit is not compulsory for companies in USA, if they are not publicly traded. 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 is appointing auditor now for audit for the year 2022-2023.
	(iii)	**Auditor's Comment on (i) or (ii) above:**	Refer "Basis for Qualified Opinion" in our audit report.
III		**Signatories**	

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

Place: Gurugram
Date : May 10, 2023

Statutory Auditor
Refer our Independent Auditors' report dated May 10, 2023 on Consolidated Financial Results of the Company

For **Singhi & Co.**
Chartered Accountants
Firm Registration No: 302049E

Sd/-
Sudesh Choraria
Partner
Membership No: 204936

Place : Mumbai
Date : May 10, 2023

Statement on Impact of Audit Qualifications Submitted for the Financial Year ended March 31, 2023 – Standalone Basis

Sl. No.	Particulars	Audited figures (audited figures after adjusting for qualifications) (Rs. In Lakhs)
1	Name of the Company	Orchid Pharma Limited
2	Annual Financial Statements for the year ended	March 31, 2023
3	Type of audit observation	Unmodified & Unqualified opinion
4	Frequency of observation	NA

Sd/-
Sunil Gupta
Chief Financial Officer

Sd/-
Manish Dhanuka
Managing Director
DIN : 00238798

Sd/-
Manoj Goyal
Audit Committee Chairman

Place: Gurugram
Date : May 10, 2023

Statutory Auditors
Refer our Independent Auditors' report dated May 10, 2023 on Standalone Financial Results of the Company

For **Singhi & Co.**
Chartered Accountant
Firm Registration No. 302049E

Sd/-
Sudesh Choraria
Partner
Membership No. 204936

Place: Mumbai
Date: May 10, 2023

Annexure - X
Business Responsibility and Sustainability Report

Annexure -A

Business Responsibility and Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Sl. No	Required Information	
1	Corporate Identity Number (CIN) of the Listed Entity	L24222TN1992PLC022994
2	Name of the Listed Entity	Orchid Pharma Limited
3	Year of incorporation	01-07-1992
4	Registered office address	'Orchid Towers', 313, Valluvarkottam High Road, Nungambakkam, Chennai, Tamil Nadu – 600034
5	Corporate address	NA
6	E-mail	corporate@orchidpharma.com
7	Telephone	044-2821 1000
8	Website	www.orchidpharma.com
9	Financial year for which reporting is being done	31st March, 2023
10	Name of the Stock Exchange(s) where shares are listed	1. National Stock Exchange of India Ltd. (NSE) 2. BSE Limited (BSE)
11	Paid-up Capital	4,081.64 Lakhs*
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms Marina Peter, Company Secretary & Compliance officer, cs@orchidpharma.com, 044-2821 1000
13	Reporting boundary -Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and allthe entities which form a part of its consolidated financial statements, taken together).	The report is prepared on standalone basis.

* The Company vide its Board Resolution dated June 27, 2023 allotted 99,02,705 equity shares to Qualified Institutional Buyer , Consequently the paid share capital of the Company is increased from 4,081.64 Lakhs to 5071.91 Lakhs.

II. Products / Services

14 Details of business activities (accounting for 90% of the turnover):

Sl. No	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Integrated API manufacturing with wide portfolio of cephalosporin (Both sterile and oral)	98.46

15 Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sl. No	Product / Service	NIC Code	% of total Turnover contributed
1	Pharmaceutical products	21001	98.46

III. Operations

16 Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National			
Orchid Towers, 313, Valluvar Kottam High Road Nungambakkam Chennai, Tamil Nadu 600 034 (Registered Office)	-	1	1
Plot No. 121-128, 128A-133,138-151 & 159- 164, SIDCO Industrial Estate, Alathur- 603 110, Chengalpattu District, Tamil Nadu (API Facility at Alathur, Tamil Nadu)	1	-	1

	Plot No. A 10 and A-11 SIDCO Industrial Estate, Alathur-603 110, Chengalpattu District, Tamil Nadu (F1 Manufacturing Facility at Alathur, Tamil Nadu)	1	-	1
	Plot No. 62&77, SIDCO Industrial Estate Alathur 603 110, Chengalpattu District, Tamil Nadu (F2 Manufacturing Facility in Alathur, Tamil Nadu)	1	-	1
	Plot SP4-4, Industrial Area, Keshwana, Rajput, Kotputli, Shahpura District, Jaipur- 303 108 (Keshwana Land & Building – given on rent)	-	-	-
	Plot SP3-5 (A&C), Industrial Area, Keshwana Rajput, Kotputli, Shah pura District, Jaipur- 303108 (Keshwana Land & Building – given on rent)	-	-	-
	Survey Nos. 443,469 Illalur Village, Thiruporur Taluk, Chengalapattu District, Tamil Nadu 603 110 (Vacant land)	-	-	-
	15th Floor, Building Tower-1, DLF Corporate Greens, Sector 74A, Gurugram, Haryana- 122004 (Office Space)	-	1	1
	M/s Pentavista Apartments, No 5/3, Beach Road, Kalakshetra Colony, Besant Nagar, Chennai 600 090 (Residential purpose)	-	-	-
	International	The Company has six subsidiaries (including two steps down subsidiaries) located in USA, South Africa.		

17	**Market Served by the entity:**		
	a.	Number of locations	
		Locations	Number
		National (No. of States)	16
		International (No. of Countries)	52
	b.	What is the contribution of exports as a percentage of the total turnover of the entity?	84.03
	C.	A brief on type of customers	The company sells products through the direct method on a purchase-order basis to the distributors and wholesalers.

IV. Employees

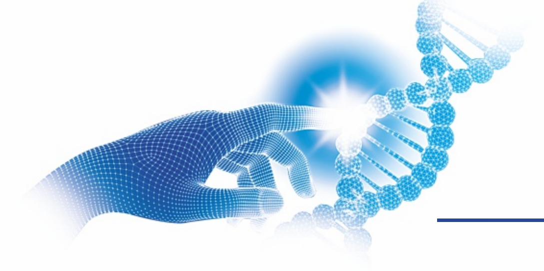
18 Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sl. No	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No. C	% (C/A)
Employees						
1	Permanent (D)	283	279	98.59	4	1.41
2	Other than Permanent (E)	0	0	0	0	0
3	Total employees (D+E)	283	279	98.59	4	1.41
Workers						
4	Permanent (F)	555	534	96.22	21	3.78
5	Other than Permanent (G)	120	118	98.33	2	1.67
6	Total workers (F+G)	675	652	96.59	23	3.41

b. Differently abled Employees and workers:

Sl.No	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No. C	% (C/A)
Differently Abled Employees						
1	Permanent (D)	NA	NA		NA	
2	Other than Permanent (E)	NA	NA		NA	
3	Total differently abled employees (D+E)	NA	NA		NA	
Differently Abled Workers						
4	Permanent (F)					
5	Other than Permanent (G)	NA	NA		NA	
6	Total differently abled workers (F+G)	NA	NA		NA	



19	Participation/Inclusion/Representation of women:			
		Total (A)	No. and percentage of Females	
			No. (B)	% (B / A)
	Board of Directors	7	1	14%
	Key Management Personnel	4	1	25%

20	Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)									
		FY 2022- 23 (Turnover rate in current FY)			FY 2021 - 22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
	Permanent Employees	99.93%	0.68%	100.61%	99.93%	0.68%	100.61%	100.00%	0.00%	100.00%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21	(a)	Name of holding / subsidiary / associate companies / joint ventures				
		Sl. No	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
		1	Dhanuka Laboratories Limited	Holding	89.96*	No
		2	Orchid Pharmaceuticals Inc.	Subsidiary	100	No
		3	Orgenus Pharma Inc., USA	Subsidiary	100	No
		4	Orchid Pharma Inc/Karalex Pharma USA	Subsidiary	100	No
		5	Bexel Pharmaceuticals Inc	Subsidiary	100	No
		6	Diakron Pharmaceuticals Inc.	Subsidiary	76.65	No
		7	Orchid Pharmaceuticals (South Africa) Proprietary Limited	Subsidiary	100	No
		8	Orchid Europe Limited**	Subsidiary	100	No
		9	Orbion Pharmaceuticals Private Limited	Associate	26	No
		10	Orchid Bio-Pharma Limited	Wholly owned Subsidiary	100	No

* The Company vide its Board Resolution dated June 27, 2023 allotted 99,02,705 equity shares to Qualified Inst itutional Buyer consequently the percentage of share held by Dhanuka Laboratories Limited decreased from 89.96 to 72.40.
**Orchid Europe Limited was dissolved on September 27, 2022.

VI. CSR Details

22	(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	No (The CSR was not applicable for the Financial Year 2022 -23. The below mentioned net-worth and turnover are for Financial Year ended March 31, 2023.
	(ii) Turnover (in Rs.)	6,65,89,84,000
	(iii) Net worth (in Rs.)	7,31,96,26,000

VII. Transparency and Disclosure Compliances

23	Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Cond uct:							
	Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes /No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks

	Communities	Yes	Nil	Nil	Nil	Nil	Nil	Nil
	Investors (other than shareholders)*	Yes	Nil	Nil	Nil	163***	Nil	Nil
	Shareholders*	Yes	1**	1	Nil	Nil	Nil	Nil
	Employees and workers	Yes	Nil	Nil	Nil	Nil	Nil	Nil
	Customers	Yes	Nil	Nil	Nil	Nil	Nil	Nil
	Value Chain Partners	Yes	Nil	Nil	Nil	Nil	Nil	Nil

* Details of Investors (including Bond Holders) /Shareholder are covered).

** This one complaint pending as on March 31, 2023 stands resolved to the satisfaction of the investor in the first week on April 2023 and hence number of complaints not solved to the satisfaction of shareholders' on date of this report are NIL.

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

24 **Overview of the entity's material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Product Responsibility	Risk	Risk of customer being lost, in the course of business. Dissatisfaction amongst the customer due to lack of attention, focus, etc	Our Company has procedures in place for Sustainable Sourcing including transportation. If the same is in line with our specifications then Organise fresh Samples from the Manufacturers. The samples are tested in our labs. We insist for the Term Card, Emergency Contact Number and relevant Safety Data Sheet during Transportation of raw Materials. Once a Vendor is approved based on the Purchase SOP material is procured PR, Enquiry, Negotiations then Placement of Orders. Also, the Procurement team ensure the transportation of materials. If the transportation is in our scope we explain the safety procedures to the transporters else the risk associated with Supply of raw materials, Safety precautions shall be mentioned in our PO which the Vendors needs to follow. Right now, the company factors only price and past performance while selecting our suppliers. Once the QA approves the documents, in case of Key Raw materials the Vendor facility is audited by team of QA & QC personal and subsequently a New Vendor for the Raw material is approved.	Impacts the brand reputation in the industry thereby leading to financial loss

					The following points are also considered towards sustainable sourcing. 1. We issue Soft copies of PO's in PDF Format Instead of Manual Hard copies there by saving on Paper Printout's and Stationery. 2. We combine and procure by way of issuing Quarterly contracts there by save for the company as well reduce repeated ordering process. 3. By way of using the recovered and distilled Solvents we try to minimize fresh solvents Procurement. 4. With proper planning we engage single truck and bring clubbed material there by save on transportation Vs reduce in Carbon emission towards social responsibility	
	2	Occupational Health & Safety	Risk	Non-compliance with safety measures by employees Non-awareness of the safe and secure environment Not following COVID-19 safety measures	The Company is committed towards conservation of the environment and compliance with all requirements related to Environment, Health and Safety (EHS). The Company undertakes all its operations with a high concern and sincerity for environment and its surroundings as well as the safety and health of people. The policy covers all the operations of the Company and the same extends to subsidiaries of the Company, wherever applicable. To become a world-class, safety-driven pharmaceutical organization by conducting our business processes and operations with commitment to the highest standards of safety, health and environment.	Incidents imp- act employee morale and business reputation leading to negative financial implication
	3	Transparency, Accountability & reporting	Risk	Risk: ESG compliance risk is linked to non-adherence with the standards and guidelines of all regulatory agencies, focusing on Pharmaceuticals and the negative impact of the medicines on the patients	The Company is committed to grow in a socially and environmentally responsible way, while meeting the interests of its major stakeholders. The Company has also implemented a Vigil Mechanism across the organisation to encourage reporting of unethical behaviour, actual or suspected fraud, unlawful or inappropriate activities and to act in accordance with the highest standards of integrity. The above-mentioned Policy (ies) also extend to the Subsidiaries.	**Positive**: Compliance with relevant regulatory requirements pertaining to the ESG domain reflects the Company's commitment to- wards responsible business practices. **Negative**: Non-compliance with ESG and regulatory requirements, may affect the Company's image and impact its business continuity in the long term.
	4	Human rights practices	Risk and Opportunity	**Risk**: Absence of a comprehensive Human Rights governance structure from the aspects of parameters such as working conditions, child/ forced labour, fair remuneration, gender diversity, preven-	The Company believes in greater engagement with its stakeholders and being sensitive towards their needs and expectations. The Company engages with its stakeholders on an ongoing basis. It is committed to the welfare of marginalized and vulnerable sections of the society and endeavours to meet the expectations of the said stakeholders. As a responsible corporate citizen, Orchid Pharma Limited	**Positive**: Comprehensive alignment of Human Rights principles in accordance with the guiding principles of national and international Human Rights standards amplifies the Company's performance

				tion of sexual harassment, freedom of association, and collective bargaining will impact the Company's performance in the social domain from the perspective of the employee workforce as well as the community. **Opportunity**: The presence of a strong redressal mechanism outlines the Company's commitment to Human Rights protection.	neither has nor encourages any form of child labour, forced labour or bonded labour. The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the financial year 2022-2023 no complaint relating to child labour, forced labour, involuntary labour, sexual harassment was received.	in the social aspect as well as reflects its commitment towards human rights integration within the Company's business model. **Negative**: The absence of a Human Rights governance structure could result in employee dissatisfaction, impacting the workforce productivity that could impact the Company's long-term business growth plan. The lack of a strong redressal mechanism may result in non-compliance issues from a relevant regulatory perspective
	5	Employee Diversity	Opportunity	Opportunity: Employee diversity is one of the key strategic imperatives for the Company and we consistently invest in the growth & development and alignment of employees to the Company growth strategy	1. Providing a needs-based and innovative range of training courses, notably in forward thinking fields of expertise like digitalization. 2. Attracting and developing the right talent, ensuring professional development and personal well-being throughout their tenure with the Company. 3. Providing programmes that are specifically designed for roles which require upgraded skills.	Consistent efforts would lead to positive impact due to improvement in productivity, reduction in defects, etc.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES											
This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.											
Disclosure Questions			P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes											
1	a.	Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b.	Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c.	Web Link of the Policies, if available	http://www.orchidpharma.com/invr_corporategovernance.htm l								
2		Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3		Do the enlisted policies extend to your value chain partners? (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4		Name of the national and international codes / certifications/ labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	National Guidelines on Responsible Business Conduct (NGRBC)	National Guidelines on Responsible Business Conduct (NGRBC)	National Guidelines on Responsible Business Conduct (NGRBC)	National Guidelines on Responsible Business Conduct (NGRBC)	National Guidelines on Responsible Business Conduct (NGRBC)	National Guidelines on Responsible Business Conduct (NGRBC)	National Guidelines on Responsible Business Conduct (NGRBC)	National Guidelines on Responsible Business Conduct (NGRBC)	National Guidelines on Responsible Business Conduct (NGRBC)
5		Specific commitments, goals and targets set by the entity with defined timelines, if any.	The company has identified material ESG issues which will help Orchid in setting targets and measures. Orchid strives to become a sustainable company and, in the process, to develop targets.								
6		Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Orchid is committed to enhancing Sustainability practices in a formal manner by adopting the guidelines defined under NGRBC and will work on developing targets and measuring performance against them.								
Governance, leadership and oversight											
7		Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	In today's ever-changing world, ESG is a gateway to new frontiers of transformation. The transition from individual to community has prompted businesses to reconside r their business strategies, and the core of these strategies revolve around innovation, awareness, and sustainable processes. Hence, ESG has become the foundation of our sustainable and long -term growth charter. We have embarked on a journey where the nat ion's sustainable development and its people's comprehensive growth are a big part of our responsibility framework. We remain committed to positively impacting the lives of our consumers and the community at large. As an organization, we have been catering to the needs and reaching the underprivileged who could not access basic medicines. And, we continue to focus on balancing our goals of sustainable profitability and long -term value creation with our overarching commitment to responsible growth, as an org anization and as a responsible corporate citizen. We have in place a detailed strategic plan to achieve significant growth in the short, medium, and long term. The key growth drivers would include scaling up the existing products and launching								

		new products and penetrating into newer markets in both API and Formulations business. We also strive to accomplish a strong balance sheet with industry-leading best practices. We, as an organization, are more resolute than ever, to embed our ESG priorities into the D NA of our core operations across people, practices, and processes because real sustainability for us lies in staying committed to responsible growth for all, for now, and tomorrow.
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Board is the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).
9	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, Shri Mridul Dhanuka, Whole Time Director, oversees the Business Responsibility and Sustainability initiatives of the Company.

10	Details of Review of NGRBCs by the Company:																		
	Subject of Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
		P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Performance against above policies and follow up action	As a practice, policies on the Business Responsibility of the Company are reviewed annually or on a need basis by the Board of Directors. During this assessment, the efficacy of the policies is reviewed and necessary changes to policies & procedures are implemented									Annually								
	Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company is in compliance with the existing regulations as applicable and a Statutory Compliance Certificate on applicable laws is provided by the MD & CEO/CFO to the Board of Directors									On-going basis								

11	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Yes, the policies are independently assessed and evaluated by Care Edge Advisory.								

12	If answer to question (11) above is No i.e. not all Principles are covered by a policy , reasons to be stated:		
	a.	The entity does not consider the Principles material to its business (Yes/No)	All Principles are covered by the Policies
	b.	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	
	c.	The entity does not have the financial or/human and technical resources available for the task (Yes/No)	
	d.	It is planned to be done in the next financial year (Yes/No)	
	e.	Any other reason (please specify)	

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE
This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as Essential and Leadership. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.
Essential Indicators

1 Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	An induction session is arranged for every independent Director, on his/her appointment to the Board of Directors. The induction session, amongst others, includes an overview of the Company, its vision and mission, the industry in which it operates, its business strategies, risk management, and the roles and responsibilities as a member of the Risk Management Committee and Board. On an ongoing basis, Orchid's Board conducts meetings and updates regarding ESG, Code of Conduct for Prevention of Insider Trading, Code of Conduct for Directors and Senior Management, Corporate Governance, Risk Management, IT & Cybersecurity, changes in the regulatory environment as applicable were made at the meeting. Further, Independent Directors meet separately without the attendance of non-independent Directors to review the performance of non-independent Directors, and Board as a whole, and the performance of the Chairman of the Board.		
Key Managerial Personnel	Orchid's Code of Conduct serves to guide our actions, which are governed by integrity, honesty, fair dealing, and compliance with all applicable laws. The mandatory training on the Code of Conduct is designed to provide a framework against which conduct and behaviour can be measured. It covers in detail the expected code as but is not limited to the equal opportunity employer, data and people privacy, conflict of interest, insider trading, bribery, improper payment, compliance, human rights, safe and secure work environment, POSH, etc.		
Employees	We strive to provide our employees with an inclusive workplace that helps them grow professionally and personally. Orchid believes in promoting employee well-being and providing a supportive environment to all employees and guidelines on employee health and safety. At Orchid, we have developed multiple training modules to cater to each function's and individual's training needs We have invested in digital collaboration tools and have adopted an online and progressive learning ecosystem to engage with the workforce. Such training/awareness programs are on an array of topics, such as Code of Conduct, Ethics, Cyber Security, Data Privacy, ESG Awareness, Fraud Prevention, Functional Training, Health and Safety, Insider Trading, Prevention of Sexual Harassment, Skill Upgradation, etc.		

2 Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	-				

Non- Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil			
Punishment				

3 Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

4	Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.	Yes, the company does not encourage associates or any connected stakeholders to follow unethical means such as Bribery or kickbacks. We have a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly, and with integrity in all its business relationships, wherever they cooperate, and to implementing and enforcing effective systems to counter bribery. Strong guidelines have been laid down to avoid malpractices and the consequences of such actions are also well-defined. Strong and stringent control

		measures are in place to stop such activities and associates are encouraged to bring to notice any such malpractice which might have been missed out. The Company's governanc e practices are laid out on the foundation of honesty and integrity, conducting business in compliance with all regulatory and legal obligations. The principles of anti-corruption and bribery are captured in the three codes of conduct of the company: Code of Conduct on Prevention of Insider Trading Regulations: http://www.orchidpharma.com/downloads/codeofconduct /Code%20of%20Conduct%20on%20Prevention%20of%20Insider%20Trading%20Regulations.pdf Code for Independent Directors: http://www.orchidpharma.com/downloads/Code_for_Independent_Directors.pdf Code of Conduct for Board of Directors and Senior Management: http://www.orchidpharma.com/downlo ads/Code%20of%20Conduct%20for%20Board%20of%20Directors%20and%20Senior%20Management%20.pdf			
5	Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:				
		FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Directors	Nil		Nil	
	KMPs	Nil		Nil	
	Employees	Nil		Nil	
	Workers	Nil		Nil	
6	Details of complaints with regard to conflict of interest:				
		FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
		Number	Remarks	Number	Remarks
	Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
	Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA
7	Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.			Not Applicable	
Leadership Indicators					
1	Awareness programmes conducted for value chain partners on any of the Principles during the financial year:				
	Total number of awareness programmes held	Topics / principles covered under the training		% age of value chain partners covered (by value of business done with such partners) under the awareness programmes	
	Nil				
2	Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same	Yes, every Director of the Company discloses his/her concern or interest in the Company or companies or bodies corporate, firms, or other association of individuals and any change therein, annually or upon any change, which includes the shareholding. Furt her, a declaration is also taken annually from the Directors under the Code of Conduct confirming that they will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company and the role therein. In the Meetings of the Board, the Directors abstain from participating in the items in which they are concerned or interested. For identifying and tracking conflicts of interest involving the Directors/KMPs of the Company, the Corporate Secretarial team maintains a database of the Directors and the entities in which they are interested. This list is shared with the Finance department for monitoring and tracking transaction(s) entered by the Company with such parties. Additionally, the Senior Management also affirms annually that they have not entered into any material, financial and commercial transactions, which may have a potential conflict with the interest of the Company at lar ge.			

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE			
PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe			
Essential Indicators			

1	Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively			
		Current Financial Year	Previous Financial Year7	Details of improvements in environmental and social impacts
	R & D	Since Orchid is involved in the manufacturing of formulations and API, the investment is restricted to improvements in IT infrastructure, air emissions, effluent discharge, and energy efficiency.		
	Capex			
2	a.	Does the entity have procedures in place for sustainable sourcing? (Yes/No)	Yes, the company strives to be a sustainable organization and tries to influence the supply chain partners to reduce the environmental foot-print. At an all-India level, preference is always given to sourcin g from local suppliers. The Company strives empower suppliers that contrib-ute to a responsible supply chain with best practices	
	b.	If yes, what percentage of inputs were sourced sustainably?		
3	Describe the processes in place to safely reclaim your prod ucts for reusing, recycling and disposing at the end of life, for			
	(a)	Plastics (including Packaging)	Plastic waste is disposed of in accordance with the Plastic Waste Management Rules.	
	(b)	E-waste	Disposed of as per E-waste Management Rules, 2016	
	(c)	other waste (Expired Products)	The Company has Standard Operating Procedure for returned prod-ucts which provides the guidelines for safe handling and disposable of expired products.	
4	Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submit-ted to Pollution Control Boards? If not, provide steps taken to address the same.		Orchid Pharma has already started the process to get registered un-der EPR. Currently, the waste is disposed of through government -reg-istered waste vendors.	

Leadership Indicators

1	Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?					
	NIC Code	Name of Prod-uct/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assess-ment was conducted	Whether con-ducted by inde-pendent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
	Nil, the company has not conducted LCA.					
2	If there are any significant social or environmental concerns and/or risks ari sing from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the sa me along-with action taken to mitigate the same.					
	Name of Product / Service	Description of the risk / concern		Action Taken		
	Not Applicable					
3	Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).					
	Indicate input material	Recycled or re-used input material to total material				
		FY 2022-23 Current Financial Year		FY 2021-22 Previous Financial Year		
	The company is involved in the manufacturing of pharmaceutical products, hence no material is re -used or recycled for the pro-duction purposes.					
4	Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely di s-posed, as per the following format:					

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed

	Plastics (including packaging)	The Company has Standard Operating Procedure for returned products which provides the guidelines for safe handling and disposable of expired p roducts.
	E-waste	
	Hazardous waste	
	Other waste	
5	Reclaimed products and their packaging materials (as percentage of products sold) for each product category	
	Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Not Applicable	

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1 a Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	279	279	100	279	100	0	0	4	1.4337	NA	NA
Female	4	4	100	4	100	4	100	0	0	NA	NA
Total	283	283	100	283	100	4	1.4134	4	1.4134	NA	NA

b Details of measures for the well-being of workers:

Category	% of works covered by										
	Total (A)	Health Insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	534	534	100	534	100	0	0	26	4.868	NA	NA
Female	21	21	100	21	100	21	100	0	0	NA	NA
Total	555	555	100	555	100	21	4	26	5	NA	NA
Other than Permanent workers											
Male	118	118	100	118	100	0	0	0	0	NA	NA
Female	2	2	100	2	100	2	100	0	0	NA	NA
Contract Workman	407	0	0	407	100	0	0	0	0	NA	NA
Total	527	120	22.77	527	100	2	100	0	0	NA	NA

2 Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	yes	100%	100%	yes
Gratuity	100%	100%	yes	100%	100%	yes
ESI	26%	26%	yes	26%	26%	yes
Others - Please specify	NA	NA	NA	NA	NA	NA

3	Accessibility of workplaces	
	Are the premises / offices of the entity accessibl e to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard	Yes, as a principle the Company along with its subsidiaries t hrough its Equal Employment Opportunity policy prohibits any kind of discrimination against any person with a disability in any matter related to employment as per the Right of Person with Disabilities Act, 2016, and Transgender persons (Protection of Righ ts) Act 2019. Various corporate offices and sites of Orchid and its subsidiaries have ramps for easy movement of differently -abled people and wheelchair-accessible restrooms are available.

4	Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.	Yes, Orchid Pharma Limited has adopted Equal employment opportunity and non-discrimination policy in accordance with the provisions of the Rights of Persons with Disabilities Act, 2016 and provides a framework which is committed towards the empowerment of persons with disabilities. Weblink http://www.orchidpharma.com/downloads/Equal%20Opp ortunity%20Policy.pdf

5 Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

6 Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes , give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes. Orchid strives to create a fair, open, and transparent culture where employees can openly present their views. Orchid Pharma Limited transparently communicates its policies and pra ctices such as plans, compensation, performance metrics, performance pay grids and calculation, career enhancements, compliance, and other processes. Orchid enables employees to work without fear of prejudice, gender discrimination, and harassment. It has zero tolerance for any non-compliance with these principles. Orchid has 'The Whistle-blower Policy', 'and Prevention of Sexual Harassment framework serving as grievance mechanisms for its employees to report or raise their concerns confidentially and anonymously, without fear of retaliation.

7 Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A	Total employees / workers in respective category (C)	No. of employees / workers in respective category who are part of association(s) or Union (D)	% (D /C)
Total Permanent Employees	Orchid's employees are currently not part of any employee association					
Male						
Female						
Total Permanent Workers						
Male						
Female						

8 Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. F	% (F/D)
Employees										
Male	858	855	100	777	91	810	664	82	80	12
Female	10	5	50	5	50	9	5	56	1	0
Total	868	860	99	782	90	819	669	82	81	10
Workers										

9	Details of performance and career development reviews of employees and worker:						
	Category	FY 2022-23			FY 2021-22		
		Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
	Employ						
	Male	856	657	77%	856	657	77%
	Female	10	7	7%	10	7	7%
	Total	866	664	78%	866	664	78%

10	Health and safety management system:		
	a.	Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?	Yes, Orchid's manufacturing sites and all locations have Occupational Health and Safety management system in place, in accordance with the guidelines provided by ISO 45001, OHSAS 18001 standards, and legal requirements such as the Factories Act, and Environment Protection Act, among others.
	b.	What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	Orchid is committed to provide a safe and healthy workplace by minimizing the risk of accidents, injury and exposure to health risks and it complies with applicable laws and regulations with respect to safety at workplace. Orchid has taken an initiative to frame a comprehensive policy with respect to health and safety management system such as Process Hazard Analysis, Pre start-up safety review, Plant safety audit, Job safety analysis, Work Permit system, What if study, Work place monitoring, Noise monitoring, Illumination monitoring. Various facilities are available at Orchid manufacturing sites and Corporate Offices and its subsidiaries corporate offices premises such as proper ventilation, hygiene & sanitation, yearly safety audit, emergency exits, first aid box, etc
	c.	Whether you have processes for workers to report the work - related hazards and to remove themselves from such risks. (Y/N)	Yes. Work related Hazards are being identified and addressed through a daily plant round and cross functional Behaviour Safety Observation rounds
	d.	Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes, Orchid has insured its employees under group term insurance, health insurance and accidental insurance policies

11	Details of safety related incidents, in the following format:			
	Safety Incident/Number	Category	FY 2022-23	FY 2021-22
	Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
		Workers	Nil	Nil
	Total recordable work-related injuries	Employees	Nil	Nil
		Workers	Nil	Nil
	No. of fatalities	Employees	Nil	Nil
		Workers	Nil	Nil
	High consequence work-related injury or ill-health (excluding fatalities	Employees	Nil	Nil
		Workers	Nil	Nil

12	Describe the measures taken by the entity to ensure a safe and healthy work place. Please refer	Operating procedures Personal Protective Equipment (PPE) as per PPE matrix Refresher classroom Training Safety Induction Training Work Permit system Safety Data Sheet Periodical medical examination Pre employment Skin & ENT screening Environment monitoring Preventive maintenance program Plant safety audit Safety Observation Audit

13	Number of Complaints on the following made by employees and workers:						
		FY 2022-23			FY 2021-22		
		Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
	Working Conditions	Nil	Nil	NA	Nil	Nil	NA
	Health & Safety	Nil	Nil	NA	Nil	Nil	NA

14	Assessments for the year:		
		% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
	Health and safety practices	ISO Recertification 14001:2015 & ISO 45001:2018 audit done between 07.12.2022 09.12.2022 Certificate Issuing Date 30.01.2023 valid until 16.03.2026 certified by intertek	
	Working Conditions	NA	
15	Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.		No corrective actions pertaining to above mentioned parameters was necessitated by Orchid during the year under review

Leadership Indicators

1	Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?	Yes, Orchid has a scheme in place to provide Financial Assistance to the legal dependents of the permanent employees in case of death while in service. In addition to this, the employees are covered under the Group Personal Accident (GPA) Insurance.
2	Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.	The Company monitors and tracks the compliance related to statutory dues by contractors supplying third party resources as a part of regular checks while processing the invoices. Periodic audits are also conducted to ensure compliance.
3	Provide the number of employees/workers having suffered high consequence work related injury / ill -health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:	

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2021-22	FY 2022-23
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4	Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)	Yes, the company provides the skill training time to time which enable the employees to pursue employment post retirement or termination.
5	Details on assessment of value chain partners:	

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	The Code of Conduct of the company expects the value chain partners to adhere to health & safety guidelines and provide good working conditions for all of its employees.
Working Conditions	

6	Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.	Not Applicable

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE		
PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders		
Essential Indicators		
1	Describe the processes for identifying key stakeholder groups of the entity	Individual or group concerned or interested with or impacted by the activities of the businesses and vice-versa or adds value to the business chain, now or in the future are identified as key stakeholder by the Company. Based on this the key stakeholders identified by the Company are its customers, investors, government, shareholders, regulators, value chain partners, and the employees. Orchid understands the impact of its policies, decisions, products & services and associated operations on the stakeholders. In line with its policies, practices and processes, Orchid engages with its stakeholders and strives to resolve differences with them in a just, fair, equitable and consistent manner and if warranted takes corrective measures. The Company also engages with relevant stakeholders for enhancing the sustainable and responsible business practices.

2	List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group				
	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Shareholders & Investors	No	Annual General Meeting, Shareholder meets, email, Stock Exchange (SE) intimations, investor/analysts meet/ conference calls, annual reports, quarterly results, media releases and Company website	Ongoing	Share price appreciation, dividends, profitability and financial stability, climate change risks, cyber risks, growth prospects
2	Employees	No	Senior leaders' communication/ talk /forum, Employee Communication (CEO Online), goal setting and performance appraisal meetings/ review, arbitration, wellness initiatives, engagement survey, email, intranet, websites, poster campaigns, circulars, a quarterly publication, and newsletters	Ongoing	Operational efficiencies, improvement areas, long-term strategy plans, training and awareness, responsible marketing, brand communication, health, safety and engagement initiatives
3	Customers	No	Website, complaints management, helpdesk, conferences, customer surveys, face-to-face meetings, E-mail, Customer feedbacks	Ongoing	Customers form a vital part of the Company's stakeholder engagement group to ensure quality services. The key areas of interest for customers are: New products, regulations
4	Suppliers/Value Chain Partners	No	Vendor meets, Virtual modes such as e-mail, telephonically	Ongoing	Quality, timely delivery and payments, ESG consideration (sustainability, safety checks, compliances, ethical behaviour), ISO and OHSAS standards, collaboration and digitalisation opportunities
5	Government	No	Advocacy meetings with local/state/ national government and Advocacy meetings with local/state/ national government and ministries, seminars, media releases, conferences, membership in local enterprise partnership and industry bodies ministries, seminars, media releases, conferences, membership in local enterprise partnership and industry bodies	Ongoing	Helps and guides in terms of connecting with Govt. Schemes in the same area for increased effectiveness, changes in regulatory frameworks, skill and capacity building, employment, environmental measures), policy advocacy, timely contribution to exchequer/ local infrastructure, proactive engagement

Leadership Indicators

1	Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board .
	The Company's response on Process: At Orchid, the stakeholder engagement mechanism is a key driving force towards strengthening and diversifying the stakeholder relationship, which further facilitates the identification of key material issues impactin g the Company's growth. The stakeholder engagement and materiality assessment exercise conducted in FY 2022-23 led to the prioritization of material issues, mapping of the risks relevant to each material topic, and development of consequent risk mitigation steps. The primary outcome of the stakeholder engagement exercise resulted in the identification and prioritization of material issues relevant to environmental, social, governance, and economic aspects. The identified material issues were presented to th e highest governing member and the Board for their feedback and guidance on strategizing the sustainable growth model of the Company. As part of the Company's efforts to continually engage with internal and external stakeholder groups for the identification of key material issues impacting them, the stakeholder engagement exercise undergoes periodic review.

2	Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No) If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.
	Yes, Orchid has always maintained a regular and proactive engagement with the Company's key stakeholders, allowing it to effectively work on its ESG strategies and be transparent about the outcomes. In response to current regulations and interactions with stakeholders, the Company performs periodic evaluations to update and reissue policies as needed.
3	Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.
	Not Applicable

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1 Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
Total Employees	NA	NA	NA	NA	NA	NA
Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
Total Workers	NA	NA	NA	NA	NA	NA

Any employee who works for Orchid Pharma Limited Company must adhere to the commitment of Orchid to integrity and ensure mutual respect, privacy, equal opportunities and non - discrimination, health, safety and environment, sexual harassment. Our commitment to employees' rights is enshrined in the Code of Conduct and Whistle-Blower Policy which sets out what employees can reasonably expect from the company (Employee Rights) and the responsibilities and qualities that are expected from them while performing their duties (Employee Responsibilities). It also lays down the principles of equal opportunity and non-discrimination, anti-corruption and bribery, prohibition of forced and child labour, transparency, safe healthful and harassment-free workplace, amongst others. Orchid runs ESG awareness programs for its employees to create awareness on ESG initiatives (including human rights) for its employees through use of social media as well as internal communication channels-Intranets, bulletins etc.

2 **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than minimum Wage		Total (D)	Equal to Minimum Wage		More than minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. F	% (F/D)
Employees										
Permanent	866	0	0	866	100	848	0	0	848	100
Male	856	0	0	856	100	837	0	0	837	100
Female	10	0	0	10	100	11	0	0	11	100

3 Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	2	6,18,743		
Key Managerial Personnel	2	824180	1	88775
Employees other than BoD and KMP	279	80166	3	72907

4	Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)	The Company has formulated a Grievance Redressal in Employee Manual which states that the employees can address their complaints or grievances to the Human Resources department or to the Senior Management. There shall be no retaliation or reprisal taken against any employee or associate who raises concerns in accordance with the policy. A committee may be formed or delegated to investigate the reported issues. The Committee is responsible for evaluating the reported issues and ensuring that they are addressed and rectified. In collaboration with Senior Management, the Committee may also recommend a suitable resolution.
5	Describe the internal mechanisms in place to redress grievances related to human rights issues.	Orchid understands the importance of human rights and is dedicated to upholding the human rights of its employees, communities, and suppliers. Orchid has Whistle -Blower Policy in place to cater to all the complaints regarding human rights and the employees/ affiliates address their complaints or grievances or report instances to the Vigilance and Ethics Officer of the Company. No reprisal or retaliatory action is taken against any employee/ affiliate for raising concerns under this policy.

6 Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour/ Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other Human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

7	Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases	The POSH Policy ensures that no unfair treatment will be meted out to a Whistle-blower by virtue of his/her having reported a Protected Disclosure under the policy. The Company, has a policy, condemns any kind of discrimination, harassment, victimisation or any other unfair employment practice being adopted against any person. Complete protection will, therefore, be given to complainant against any unfair practices like retaliation, threat or intimidation of termination/ suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the complainant's right to continue to perform his/her duties/functions including making further Protected Disclosure
8	Do human rights requirements form part of your business agreements and contracts? (Yes/No)	No, but Orchid ensures the suppliers adhere to companies Code of Conduct

9 Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100% by our Company Internal Auditor T R Chadha & Co LLP, Chartered Accountants
Forced/involuntary labour	100% by our Company Internal Auditor T R Chadha & Co LLP, Chartered Accountants
Sexual harassment	100% by our Company Internal Auditor T R Chadha & Co LLP, Chartered Accountants
Discrimination at workplace	100% by our Company Internal Auditor T R Chadha & Co LLP, Chartered Accountants
Wages	100% by our Company Internal Auditor T R Chadha & Co LLP, Chartered Accountants

10	Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.	Not Applicable

Leadership Indicators		
1	Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.	Not applicable.
2	Details of the scope and coverage of any Human rights due-diligence conducted.	100% by our Company Internal Auditor T R Chadha & Co LLP, Chartered Accountants
3	Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?	Yes, most of the locations are accessible to differently abled persons
4	Details on assessment of value chain partners:	

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Nil
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5	Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.	Not Applicable

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1 Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)(GJ)	94802	160961
Total fuel consumption (B)(GJ)	322.29	19261
Energy consumption through other sources (Solar) (GJ)	50,843	NA
Total energy consumption (A+B+C)	145967.29	180222
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	21.92	318
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency		No external assessment is done

2	Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In cas e targets have not been achieved, provide the remedial action taken, if any.	Not Applicable

3 Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilol itres)		
(i) Surface water	NA	NA
(ii) Groundwater	148413	166452
(iii) Third party water (tanker)	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Water from municipal corporation	NA	NA
(vi) Others	NA	NA
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	148413	166452
Total volume of water consumption (in kilolitres)	254402	268637

	Water intensity per rupee of turnover (Water consumed / turnover)	38.20	475
	Note: Indicate if any independent assessment/ evaluation/ass urance has been carried out by an external agency? (Y/N) If yes, name of the external agency	No external assessment is done	
4	Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.	Orchid has employed a state-of-the-art technologies zero liquid trade effluent treatment plant and world class treatment facilities for its liquid pollutants generated from the production processes. The zero discharge of liquid trade effluent treatment plant comprising Membrane Bio Reactor, Reverse Osmosis, Solvent Stripping Column, Thermal Evaporators (Single effect & MEE plant) and Dryer plant to treat the entire trade effluent and recycle back into the utility process.	

5	Please provide details of air emiss ions (other than GHG emissions) by the entity, in the following format:			
	Parameter	Please specify unit	FY 2022-23	FY 2021-22
	NOx	Tonnes	105	62
	Sox	Tonnes	47	88
	Particulate matter (PM)	Tonnes	37	58
	Persistent organic pollutants (POP)	NA	NA	NA
	Volatile organic compounds (VOC)	NA	NA	NA
	Hazardous air pollutants (HAP)	NA	NA	NA
	Others – please specify	NA	NA	NA
	Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the e xternal agency	No external assessment has been done		
6	Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:			
	Parameter	Unit	FY 2022-23	FY 2021-22
	Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	GJ	4594	4173
	Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	GJ	381028	442104
	Total Scope 1 and Scope 2 emissions per rupee of turnover	GJ	57.22	788
	Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		No external assessment has been done	

7	Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.	The Company has implemented energy conservation initiatives in its manufacturing facilities (which benefited all the products manufactured at the facility, in terms of power Consumption/kg of API. The Company's products do not have any broad-based impact on energy and water consumption by consumers. However, the Company has taken several ongoing measures to reduce consumption of water and energy. Study and stream lining of effluent streams under progress to reduce higher energy consumption in Ecology plant. On part of this TEE plant stoppage resulted in energy savings of 1900 units/ day. Apart from power savings, 7.7MT/Day of steam consumption reduction achieved by stopping TEE plant. CT-13 pump and fan operational control established based on TEE plant stoppage resulted in energy savings of 562 units/ day. Optimizing power consumption in MPSR +40 cooling circuit by providing temperature based cut off for radiator fans, improving performance of PHE, providing controls for switching off chill water pumps based on plant requirement. This resulted in energy saving of 1667 units/day.

		Trial under progress for using renewable energy fuel Rice husk in Boiler to reduce coal consumption – Around 130MT of Rice husk used to reduce equivalent coal consumption of 87.5MT. Improving insulation effectiveness has resulted in energy savings of 603 units per day in refrigeration system . Eliminating loss of energy due to Compressed air & Nitrogen leaks done by conducting air audit across plant and arresting of leaks resulted in energy savings of 1374 units/day. The Company has ancient Solvent Recovery facility consisting of thirty distillation columns, also supported with extraction, washing, washing facility. Impure Solvent/Mother liquor collected from API production, after recovery process about 95% of feed recycled back as pure/Recovered Solvent. The aqueous layer removed after the distillation is sent to the E ffluent Treatment plant for further treatment. Solid wastes generated from the distillation process is collected and disposed suitably as per the authorization. Solvent recovery process control is through DCS, PLC AND SCADA panel system, consisting of temperature, flow, pressure control with process and safety inter locks. Solvent storage tanks and systems are facilitated with nitrogen blanketing for safe operation. In solvent recovery facility, the solvent mixtures are separated from the mother liquor in distillation column of various types (atmospheric / vacuum). Th ese distillation columns are being operated at different temperatures based on the boiling point of solvent mixtures. After distillation, the purified solvents are collected in a collection tank and it is being used in the production to minimize the requir ement of fresh solvents. Yes, Our Company has procedures in place for Sustainable Sourcing including transportation. If the same is in line with our speciation then Organise fresh Samples from the Manufacturers. The samples are tested in our labs. We insist for the Term Card, Emergency Contact Number and relevant Safety Data Sheet during Transportation of raw Materials. Once a Vendor is approved based on the Purchase SOP material is procured [PR, Enquiry, Negotiations then Placement of Orders] Also, the Procurement team ensure the transportation of materials. If the transportation is in our scope we explain the safety procedures to the transporters else the risk associated with Supply of raw materials, Safety precautions shall be mentioned in our PO which the Vendors needs to follow. Right now, the company factors only price and past performance while selecting our suppliers. Once the QA approves the documents, in case of Key Raw materials the Vendor facility is audited by team of QA & QC personal and subseq uently a New Vendor for the Raw material is approved. The following points are also considered towards sustainable sourcing. 1. We issue Soft copies of PO's in PDF Format I/O Manual Hard copies there by saving on Paper Printout's and Stationery. 2. We combine and procure by way of issuing Quarterly contracts there by save for the company as well reduce repeated ordering process. 3. By way of using the recovered and distilled Solvents we try to minimize fresh solvents Procurement. 4. With proper planning we engage single truck and bring clubbed material there by save on transportation Vs reduce in Carbon emission towards social responsibility.

8	Provide details related to waste management by the entity, in the following format:		
	Parameter	FY 2022-23	FY 2021-22
	Total Waste generated (in metric tonnes)		
	Plastic waste (A) (tons)	Nil	Nil
	E-waste (B)	0	0
	Bio-medical waste (C)	1.858	2.26
	Construction and demolition waste (D)	NA	NA

	Battery waste (E)	185	552
	Radioactive waste (F)	NA	NA
	Other Hazardous waste (Oil-soaked cotton waste, DG filters, paint cans, chemical cans, paint residue, oil sludge, DG chimney soot, coolant oil and used oil). Please specify, if any. (G)	12.83	29.32
	Total (A+B + C + D + E + F + G + H)	200	584

	For each category of waste generated, total waste recovered through recycling, re -using or other recovery operations (in metric tonnes)	
	Category of waste	
	(i) Recycled	179.63
	(ii) Re-used	Nil
	(iii) Other recovery operations	NA
	Total	179.63
	For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)	
	Category of waste	
	(i) Incineration	55.9
	(ii) Landfilling	1110.47
	(iii) Other disposal operations	NA
	Total	1166.37
	Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	No external assessment has been done
9	Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes	Yes. The Company has efficient Solvent Recovery facility consisting of thirty distillation columns, also supported with extraction, washing, washing facility. Impure Solvent/Mother liquor collected from API production, after recovery process about 95% of feed recycled back as pure/Recovered Solvent. The aqueous layer removed after the distillation is sent to the Effluent Treatment plant for further treatment. Solid wastes generated from the distillation process is collected and disposed suitably as per the authorization. Solvent recovery process control is through DCS, PLC AND SCADA panel system, consisting of temperature, flow, pressure control with process and safety interlocks. Solvent storage tanks and systems are facilitated with nitrogen blanketing for safe operation . In solvent recovery facility, the solvent mixtures are separated from the mother liquor in distillation column of various types (atmospheric / vacuum). These distillation columns are being operated at different temperatures based on the boiling point of solvent mixtures. After distillation, the purified solvents are collected in a collection tank and it is being used in the production to minimize the requirement of fresh solvents.

10	If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:			
	Sl. No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
	NA			

11	Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:					
	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
	No Environmental Impact Assessment has been done by the company					

12	Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Preventio n and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunde r (Y/N). If not, provide details of all such non-compliances, in the following format:				
	Sl. No	Specify the law / regulation / guidelines which was not complied with	Provide details of the noncompliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	Not Applicable				

Leadership Indicators

1	Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:		
	Parameter	FY 2022-23	FY 2021-22
	From renewable sources		
	Total electricity consumption (A)	Electricity consumption from Solar: 14122961 units (kWhr)	Electricity consumption from Solar: 4103464.344 units (kWhr)
	Total fuel consumption (B)	Nil	Nil
	Energy consumption through other sources (C)	Nil	Nil
	Total energy consumed from renewable sources (A+B+C)	14122961	4103464.344
	From Non-renewable sources		
	Total electricity consumption (D)	94802	44711
	Total fuel consumption (E)	4349	3947
	Energy consumption through other sources (F)	Nil	Nil
	Total energy consumed from non-renewable sources (D+E+F)	99151	48658
	Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	No external assessment has been done	
2	Provide the following details related to water discharged:		
	Parameter	FY 2022-23	FY 2021-22
	(i) To Surface Water	0	0
	—- No treatment		
	—- With treatment – please specify level of treatment		
	(ii) To Groundwater	0	0
	—- No treatment		
	—- With treatment – please specify level of treatment		
	(iii) To Seawater	0	0
	—- No treatment		
	—- With treatment – please specify level of treatment		
	(iv) Sent to third-parties	0	0
	—- No treatment		
	—- With treatment – please specify level of treatment		
	(v) Others	0	0
	—- No treatment		
	—- With treatment – please specify level of treatment		
	Total Water discharged (in kilolitres)	0	0
	Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		No external assessment has been done

3	Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):				
	For each facility / plant located in areas of water stress, provide the following information:				
	(i) Name of the area	Chennai			
	(ii) Nature of operations	Manufacturing, R&D			
	(iii) Water withdrawal, consumption and discharge in the following format:	Water Withdrawal, Consumption and Discharge			
	Parameter	FY 2022-23		FY 2021-22	
	Water withdrawal by source (in kilolitres)				
	(i) Surface water	NA		NA	
	(ii) Groundwater	148413		166452	
	(iii) Third party water	NA		NA	
	(iv) Seawater / desalinated water	NA		NA	
	(v) Others	NA		NA	
	Total volume of water withdrawal (in kilolitres)	148413		166452	
	Total volume of water consumption (in kilolitres)	254402		268637	
	Water intensity per rupee of turnover (Water consumed / turnover)	38.20		475	
	Water discharge by destination and level of treatment (in kilolitres)				
	(i) Into Surface water	0		0	
	No treatment				
	With treatment – please specify level of treatment				
	(ii) Into Groundwater	0		0	
	No treatment				
	With treatment – please specify level of treatment				
	(iii) Into Seawater	0		0	
	No treatment				
	With treatment – please specify level of treatment				
	(iv) Sent to third-parties	0		0	
	No treatment				
	With treatment – please specify level of treatment				
	(v) Others	0		0	
	No treatment				
	With treatment – please specify level of treatment				
	Total water discharged (in kilolitres)	0		0	
	Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency			No independent assessment has been done	
4	Please provide details of total Scope 3 emissions & its intensity, in the following format:				
	Parameter	Unit	FY 2022-23		FY 2021-22
	Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	Scope-3 emissions are not considered in Orchid's emission calculations presently. We are in the process of doing the same in the coming year		
	Total Scope 3 emissions per rupee of turnover				
	Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity				

	Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	Not Applicable
5	With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.	In all areas of its activities, Orchid is dedicated to regulatory environmental compliance and ethical conduct, and since the Company operates in industrial areas/estates, its influence on biodiversity is very modest.
6	If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:	

Sl. NO	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative

Orchid's world class manufacturing infrastructure include USFDA compliant API and Finished Dosage Form fac ilities 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. Energy conservation actions are being implemented and are also under progress to reduce carbon emission (global warming). Developing and maintaining greenery through tree plantation. The Company is committed to conserve energy at possible areas. Identification of possible ar eas and implementation of energy conservation is done through ENCON panel as a continuous process. Spent carbon generated from the process is being utilized as a fuel in our coal boiler. Environment Statement is led annually to the state Pollution Control Board. Optimizing power consumption in MPSR +40 cooling circuit by providing temperature based cut off for radiator fans, improving performance of PHE, providing controls for switching off chill water pumps based on plant requirement. This resulte d in energy saving of 1667 units/day. Study and stream lining of effluent streams under progress to reduce higher energy consumption in Ecology plant. On part of this TEE plant stoppage resulted in energy savings of 1900 units/ day. Apart from power sav ings, 7.7MT/ Day of steam consumption reduction achieved by stopping TEE plant. CT -13 pump and fan operational control established based on TEE plant stoppage resulted in energy savings of 562 units/ day. Trial under progress for using renewable energy fue l Rice husk in Boiler to reduce coal consumption – Around 130MT of Rice husk used to reduce equivalent coal consumption of 87.5 MT.
Improving insulation effectiveness has resulted in energy savings of 603 units per day in refrigeration system. Eliminating l oss of energy due to Compressed air & Nitrogen leaks done by conducting air audit across plant and arresting of leaks resulted in energy savings of 1374 units/day

7	Does the entity have a business continuity and disaster management plan? Give details in 100 words/ we b link.	Yes, the Company recognizes the importance of business continuity in its business and has put in place policies to ensure mission-critical operations continue in the event of an interruption Link of Risk Management Policy: http://www.orchidpharma.com/downloads/RMC%20Policy.pdf
8	Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard	No significant adverse impact has been observed from the value chain, pertaining to environment. As an adaptation measure, we assess the critical vendors based on ESG parameters and have implemented vendor engagement pro grams to improve their capabilities, wherever required.
9	Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.	Nil

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1	a.	Number of affiliations with trade and industry chambers/ associations. (As below)
	b.	List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sl. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State / National)
1	Madras Chamber of Commerce	National

2	Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.					
	Name of authority	Brief of the case		Corrective action taken		
	No case registered against the company					
Leadership Indicators						
1	Details of public policy positions advocated by the entity:					
		Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
	NA					

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development							
Essential Indicators							
1	Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.						
	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link	
	Not Applicable to Orchid Pharma Limited						
2	Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:						
	Sl. No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
	Not Applicable to Orchid Pharma Limited						
3	Describe the mechanisms to receive and redress grievances of the community.	NA					
4	Percentage of input material (inputs to total inputs by value) sourced from suppliers:						
	Parameter	FY 2022-23	FY 2021-22				
	Directly sourced from MSMEs/ small producers	NA	NA				
	Sourced directly from within the district and neighbouring districts	NA	NA				
Leadership Indicators							
1	Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):						
	Details of negative social impact identified	Corrective action taken					
	Not Applicable to Orchid Pharma Limited						
2	Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:						
	Sl. No	State	Aspirational District	Amount spent (In INR)			
	Not Applicable to Orchid Pharma Limited						
3	(a)	Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)	No Procurement is done based on competitiveness. However, we encourage marginalised and vulnerable groups.				
	(b)	From which marginalized /vulnerable groups do you procure?					
	(c)	What percentage of total procurement (by value) does it constitute?					
4	Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:						
	Sl. No	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share		
	No benefits derived from the Intellectual Property						

5	Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.			
	Name of authority		Brief of the Case	Corrective action taken
	Not Applicable to Orchid Pharma Limited			
6	Details of beneficiaries of CSR Projects:			
	Sl. No	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
	Not Applicable to Orchid Pharma Limited			

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner		
Essential Indicators		
1	Describe the mechanisms in place to receive and respond to consumer complaints and feedback.	The Company's uncompromising commitment to providing world-class products and services to customers is supported by its concern for the safety of its customers. A well-established system is in place for dealing with customer feedback and complaints. Customers are provided multiple options to connect with the Company through email, telephone, website, social media, feedback forms, etc.
2	Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:	
		As a percentage to total turnover
	Environmental and social parameters relevant to the product	NA
	Safe and responsible usage	100%
	Recycling and/or safe disposal	NA

3	Number of consumer complaints in respect of the following:						
		FY 2022-23		Remarks	FY 2021-22		Remarks
		Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
	Data privacy	Nil	Nil	Nil	Nil	Nil	Nil
	Advertising	Nil	Nil	Nil	Nil	Nil	Nil
	Cyber-security	Nil	Nil	Nil	Nil	Nil	Nil
	Delivery of Products	Nil	Nil	Nil	Nil	Nil	Nil
	Quality of Products	Nil	Nil	Nil	Nil	Nil	Nil
	Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
	Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
	Other	Nil	Nil	Nil	Nil	Nil	Nil

4	Details of instances of product recalls on account of safety issues:		
		Number	Reasons for recall
	Voluntary recalls	Nil	NA
	Forced recalls	Nil	NA
5	Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.	Yes, Risk Management Policy. Weblink – http://www.orchidpharma.com/downloads/RMC%20Policy.pdf	

6	Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services	For FY 2022-23, there were no complaints received for issues pertaining to the delivery of essential services, advertising, action taken by regulatory authorities on the safety of products/services.
Leadership Indicators		
1	Channels / Platforms where information on products and services of the entity can be accessed (provide web link, if available).	The Company's website provides detailed information on the products sold region-wise. - Website http://www.orchidpharma.com/index.html
2	Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.	The company provides all the important and relevant information on the label of the product and adhere to regulatory guidelines.
3	Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services	The company inform the customers and relevant stakeholders, months prior of discontinuation on any scheduled formulation through press release and on the company website.
4	Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)	No
5	Provide the following information relating to data breaches:	
	a. Number of instances of data breaches along-with impact	0
	b. Percentage of data breaches involving personally identifiable information of customers	0

INDEPENDENT AUDITOR'S REPORT

To

The Members of

Orchid Pharma Limited

Report on the Audit of the Standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of **Orchid Pharma Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act 2013 ("the Act"") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

Without qualifying our opinion, we draw attention to the following matter:

Note 45 to the financial statements relating to the fact that the Company has taken certain lands on lease for its operations in respect of which the lease agreement expired before the date of commencement of the Corporate Insolvency Resolution Process. We were informed that as part of the right to review the existing agreements, the Company has made a detailed assessment of the market rent for the property and the market value of the property for outright purchase. We were also informed that since the present rent as per erstwhile lease agreement is significantly high considering the market value of the property itself, the Company is in talks with the lessor for renewal of the lease with lower rent or for outright purchase of the property as part of the implementation of the resolution plan. However, no finality is reached on this matter as of date.

Pending completion of the negotiation and the uncertainties involved, the Company disputed the portion of the lease rent, considered to be excessive than the market rate as assessed by an independent valuer, amounting to INR 3,077.00 Lakhs unto March 31, 2023 in respect of the aforesaid lease. The same has been treated as contingent liability in the Standalone financial statements of the company.

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

Our opinion on the standalone financial statements is not modified in respect of the above matter.

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 for the financial year ended March 31, 2023. 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.

Key audit matter	How our audit addressed the key audit matter
1. Revenue Recognition (Refer Note 3 (c) and 29 to the Standalone financial Statements)	
Revenue is recognized at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods to a customer. The revenue recognition occurs at a point in time when the control of the goods is transferred to the customer. We focussed on this area as a key audit matter as the value is significant and also since Exports form a substantial part of the Sales of the Company, wherein there are multiple terms of Sale, an inherent risk exists of revenue being recognized before the control is transferred.	As part of our audit procedures, we: ➢ Read the Company's accounting policy for revenue recognition and assessed compliance with the requirements of Ind AS 115. ➢ Evaluated the design, tested the implementation and operating effectiveness of the Company's internal controls including general IT controls and key IT application controls over recognition of revenue. ➢ On a sample basis, tested supporting documentation for sales transactions which included sales invoices, customer contracts, and shipping documents. ➢ Tested revenue samples focused on sales recorded immediately before the year-end, obtained evidence as regards timing of revenue recognition, based on terms and conditions of sales contracts and delivery documents. ➢ Assessed disclosures in financial statements in respect of revenue, as specified in Ind AS 115.

Information Other than the financial statements and Auditor's Report Thereon

The Company's management and Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the standalone Financial Statements

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

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the standalone financial statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements 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 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 for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The standalone financial statements of the Company for the year ended March 31, 2022 have been audited by the predecessor auditor who expressed an unmodified opinion on the standalone financial statements vide their report dated May 12, 2022.

Our opinion on the audited standalone financial statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, (hereinafter referred to as the "Order"), we give in the "Annexure 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), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
   (e) On the basis of the written representations received from the directors as on March 31, 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act;
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

(i). The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 45 to the standalone financial statements;

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

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

(iv) a) The management has represented that, to the best of their knowledge and belief, other than as disclosed in the notes to the standalone financial statements, if any, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented, that, to the best of their knowledge and belief, other than as disclosed in the notes to the standalone financial statements, if any, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

(v) The company has neither declared or paid any dividends during the year and accordingly reporting on compliance with section 123 of the Companies Act, 2013 is not applicable for the year under consideration.

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **Singhi & Co.**
Chartered Accountants
Firm
Registration No: 302049E

Sd/-
Sudesh Choraria
Partner
Membership No: 204936

Date: May 10, 2023
Place: Mumbai

UDIN: 23204936BGYIRV6053

Annexure – A to the Independent Auditor's Report of even date to the members of Orchid Pharma Limited on the Standalone financial Statements as of and for the year ended March 31, 2023

(Referred to in paragraph 1 of our Report on Other legal and regulatory requirements)

We report that:

I. In respect of its Property Plant and Equipment and Intangible Assets:

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of its property, plant and equipment.

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

b) As explained to us, the Company has a regular program of conducting physical verification of its property, plant and equipment in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification during the year.

c) According to the information and explanations given to us and on the basis of our examination of the conveyance deeds provided to us, we report that, the title deeds of immovable properties (other than self - constructed immovable property (buildings), and where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in schedule of Property, Plant and Equipment to the standalone financial statements, are held in the name of the Company as at the balance sheet date.

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

d) The Company has not revalued its property, plant and equipment (including right of use assets) and intangible assets during the year. Therefore, the provisions of clause 3(I)(d) of the Order are not applicable to the Company.

e) According to information and explanations given by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Therefore, provisions of clause 3(I)(e) of the Order are not applicable to the Company

ii. In respect of its Inventories:

a) As per information and explanations provided to us, physical verification has been conducted by the management at reasonable intervals during the year in respect of inventory of raw materials, work in progress, finished goods, Traded Goods and by products (other than inventories lying with third parties), and no material discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification.

b) Based on our examination of the books of accounts of the Company, with respect to the sanctioned working capital limits availed in excess of Rs. five Crore from banks or financial institutions during the year on the basis of security of current assets of the Company, the Quarterly return / statements which have been regularly submitted by the company are in agreement with the books of accounts, except in the following cases:

Quarter ended	As per financials (Rs. in Lakhs)	As per returns filed with banks (Rs. in Lakhs)	Variance (Rs. in Lakhs)	Reasons for variance
June 30, 2022	23676.26	22702.90	973.36	The difference is mainly due to estimated over head rate considered while valuing WIP and FG given to the bank and the actual over head rate finalised on completion of limited review of the quarterly results. Also the bank stock statement does not include R&D Stock (INR 282.37 Lakhs).
September 30, 2022	23,601.95	23,386.97	214.98	The difference is mainly due to estimated over head rate considered while valuing WIP and FG given to the bank and the actual over head rate finalised on completion of limited review of the quarterly results. Also the bank stock statement does not include R&D Stock (INR 278.55 Lakhs).

December 31, 2022	23,337.45	21,376.13	1,961.32	The difference is mainly due to estimated over head rate considered while valuing WIP and FG given to the bank and the actual over head rate finalised on completion of limited review of the quarterly results. Also the bank stock statement does not include R&D Stock (INR 256.33 Lakhs)
March 31, 2023	22,873.80	24,059.23	(1,185.43)	The difference is mainly due to estimated over head rate considered while valuing WIP and FG given to the bank and the actual over head rate finalised on completion of the audit of the financial statements. The bank stock statement does not include R&D Stock (INR 253.38 Lakhs). Further, provision for non moving stock created in Q4 - INR 54 Lakhs which was not included in the statement given to the bank

iii. a) According to the information and explanations provided to us, the Company has granted a loan of Rs.445.23 lakhs (including accrued interest) to its subsidiary company during the year and the company has made investments in the equity shares of a subsidiary company amounting to Rs. 0.01 lakhs. The Closing balance outstanding of Loans advanced to the subsidiary amounted to Rs.469.72 Lakhs.

b) The loan given and investments made are, in our opinion, prima facie, not prejudicial to the company's interest. The Company has not provided any guarantee or security or granted loans or advances in the nature of loans during the year. The loans given to subsidiaries and other parties during the pre- CIRP period have been fully provided for.

c) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipt of principal amount and interest have been regular as per stipulations.

d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than 90 days as at the year end.

e) No loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

f) During the year, the Company has not granted any loans or advances in the nature of loans, which are either repayable on demand or without specifying any terms or period of repayment. Therefore, provisions of clause 3(iii)(f) of the Order is not applicable to the Company.

iv. In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 with respect to the loans given and investments made. The Company has not provided any guarantee or security during the year. The loans given to subsidiaries and other parties during the pre-CIRP period have been fully provided for.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public or amount which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) rules 2014 (as amended).

vi. We have broadly reviewed the cost records maintained by the Company in respect of products for which maintenance of prescribed cost records is mandated by Government of India U/S 148 (1) of the Act and are of the opinion that, prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us and the records of the Company examined by us:

a) the Company has been generally regular in depositing amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues, including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable. There were no material undisputed outstanding statutory dues as at the year end, for a period of more than six months from the date they became payable.

b) No undisputed amounts payable in respect of goods and service tax, provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31,2023 for a period of more than six months form the date they become payable.

'c) According to the information and explanations given to us and as confirmed by the Resolution Professional (RP) and the Successful Resolution Applicant, in view of the implementation of the resolution plan as approved by the Hon'ble National company Law Tribunal (based on the order of the Hon'ble Supreme Court of India), except to the extent of payment to the stakeholders as per the approved Resolution Plan, the Company shall have no liability with respect to any claims relating in any manner to the period prior to "the effective date" i.e. pre corporate Insolvency Resolution process period (pre-CIRP period). We were informed that to the extent of claims raised (pertaining to the Pre-CIRP period) by various statutory authorities and approved by the RP have been fully paid as part of the approved resolution plan. Accordingly, all other pending litigations relating to Pre-CIRP period are deemed to be extinguished as at March 31,2020, i.e., the date of implementation of the approved resolution plan. Accordingly, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and goods and service tax which have not been deposited as at March 31,2023 on account of dispute.

viii. According to the information and explanation given to us, there were no transactions which have not been recorded in the books of account, which have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year. Therefore, provisions of clause 3(viii) of the Order are not applicable to the Company.

ix. a) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank, Government or debenture holders.

b) Basis the information and explanation provided to us, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.

c) According to the information and explanations given to us and based on our examination of the records of the Company, the term loans availed during the year were applied for the purpose for which they were availed. Further the Company has not availed any loans from Government or has not issued any debenture during the year.

d) Based on the information and explanation given to us, and the books of account examined by us, short term funds raised during the year have not been utilized for long term purposes.

e) Based on the information and explanation given to us, and the books of account examined by us, during the year, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. The loans given to subsidiaries and other parties during the pre-CIRP period have been fully provided for.

f) The Company has not raised any loan during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Thus, the provisions of clause 3(x)(a) of the order are not applicable to the Company.

b) According to the information and explanations give 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 convertible debentures (fully, partially or optionally convertible) during the year. Therefore, the provisions of clause 3(x)(b) of the Order are not applicable to the Company.

xi. a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year nor have we been informed of any such case by the management.

b) We have not come across any instance of fraud, therefore report under sub-section 12 of section 143 of the Companies Act,2013 is not required to be filed by us in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

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

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

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has entered into transactions with related parties in compliance with the provisions of sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under the Indian Accounting Standards (Ind AS) 24, Related Party Disclosures specified under section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

xiv. In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business; We have considered internal audit reports of the Company issued till date for the period under audit.

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

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

b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, the provisions of clause 3(xvi) (b) of the Order are not applicable to the Company;

c) In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of clause 3(xvi)(c) of the Order are not applicable to the Company;

d) According to the representations given by the management, the Company does not have any CIC. Therefore, the provisions of clause 3 (xvi) (d) of the Order are not applicable to the Company;

xvii. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year. Therefore, the provisions of clause 3(xvii) of the Order are not applicable to the Company.

xviii. There has been no resignation of statutory auditors during the year. Therefore, the provisions of clause 3(xviii) of the Order are not applicable to the Company.

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

xx. In respect of Corporate Social Responsibility Expenditure:

a) According to the information and explanations given to us and based on our examination of the records of the Company, the provisions of section 135 of the Act are not applicable to the Company during the year. Accordingly, paragraph 3 (xx) of the order is not applicable.

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

For **Singhi & Co.**
Chartered Accountants
Firm
Registration No: 302049E

Sd/-
Sudesh Choraria
Partner
Membership No: 204936
UDIN: 23204936BGYIRV6053

Date: May 10, 2023
Place: Mumbai

Annexure – B to the Independent Auditor's Report of even date to the members of Orchid Pharma Limited on the Standalone financial Statements as of and for the year ended March 31, 2023

(Referred to in paragraph 2 (f) of our Report on Other legal and regulatory requirements)

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

1. We have audited the internal financial controls over financial reporting of **Orchid Pharma Limited** ('the Company') as of March 31, 2023 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

6. 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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 authorizations of management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the

internal financial controls 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

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Singhi & Co.**
Chartered Accountants Firm
Registration No: 302049E

Sd/-
Sudesh Choraria
Partner
Membership No: 204936
UDIN: 23204936BGYIRV6053

Date: May 10, 2023
Place: Mumbai

Standalone Balance Sheet as at March 31, 2023

(All amounts are INR lakhs, except share data and unless otherwise stated)

₹ in Lacs

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	57,267.07	58,331.59
Intangible assets	4	38.57	33.73
Capital work in progress	5	4,609.18	978.42
Financial assets			
Investments	6	5,011.85	4,901.35
Other financial assets	7	687.48	476.05
Non Current tax assets (net)	8	5,130.15	5,223.63
Other non current assets	9	202.11	1,166.94
Total non-current assets		**72,946.41**	**71,111.71**
Current assets			
Inventories	10	22,873.80	17,265.63
Financial assets			
Investments	11	-	-
Trade receivables	12	21,190.73	16,022.73
Cash and cash equivalents	13	1,830.77	45.02
Bank balances other than above	14	402.91	375.64
Loans	15	469.72	-
Other financial assets	16	0.13	0.14
Current tax assets (net)	17	95.37	31.76
Non current assets held for sale and disposal groups	18	-	1,328.97
Other current assets	19	2,515.95	3,237.35
Total current assets		**49,379.38**	**38,307.24**
Total Assets		**122,325.79**	**109,418.95**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	20	4,081.64	4,081.64
Other equity	21	69,114.62	63,713.62
Total equity		**73,196.26**	**67,795.26**

Standalone Balance Sheet as at March 31, 2023

(All amounts are INR lakhs, except share data and unless otherwise stated)

₹ in Lakhs

	Notes	As at March 31, 2023	As at March 31, 2022
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	22	14,883.76	20,816.52
Provisions	23	1,260.18	1,101.29
Deferred Tax Liability (Net)	24	322.62	322.62
Total non-current liabilities		**16,466.56**	**22,240.43**
Current liabilities			
Financial liabilities			
Borrowings	25	18,250.81	5,978.84
Trade payables	26		
- Outstanding Dues of Micro and Small Enterprises		158.44	340.27
- Outstanding Dues of Creditors other than Micro and Small Enterprises		13,493.86	11,733.46
Short term provisions	27	348.60	300.71
Other current liabilities	28	411.26	1,029.98
Total current liabilities		**32,662.97**	**19,383.26**
Total Liabilities		**49,129.53**	**41,623.69**
Total Equity and Liabilities		**122,325.79**	**109,418.95**
Significant Accounting Policies	**3**		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For **Singhi & Co.,**
Chartered Accountants
Firm Registration No.302049E

Sd/-
Sudesh Choraria
Partner
Membership No. 204936

For and on behalf of the Board

Sd/-
Manish Dhanuka
Managing Director
DIN: 00238798

Sd/-
Mridul Dhanuka
Whole Time Director
DIN: 00199441

Sd/-
Sunil Gupta
Chief Financial Officer

Sd/-
Marina Peter
Company Secretary

Place : Gurgaon
Date: May 10, 2023

Standalone Profit & Loss for the year ended March 31, 2023

(All amounts are INR lakhs, except share data and unless otherwise stated)

₹ in Lakhs

		Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Continuing Operations				
A	**Income**			
	Revenue from operations	29	66589.84	55697.44
	Other income	30	1943.05	900.29
	Total income		**68532.89**	**56597.73**
B	**Expenses**			
	Cost of materials consumed	31	40609.61	33679.89
	Changes in inventories of finished goods and WIP	32	(2147.54)	(2272.56)
	Employee Benefits Expense	33	6535.04	6020.6
	Depreciation and amortisation expense	34	5478.68	8702.08
	Finance costs	35	3222.57	3201.17
	Other expenses	36	13230.88	12543.59
	Total expenses		**66929.24**	**61874.77**
C	**Profit / (Loss) before exceptional items and tax**		**1603.65**	**(5277.04)**
	Exceptional items - Income / (Expenses) (Refer Note 54)		3921.04	0
D	**Profit / (Loss) before tax from continuing operations**		**5524.69**	**(5277.04)**
	Income tax expense			
	Current tax		0	0
	Deferred tax charge/ (credit)		0	0
	Profit / (Loss) after tax from continuing operations		5524.69	(5277.04)
Discontinuing Operations				
E	**Profit / (Loss) for the year from discontinued operations**		**(105.81)**	**4796.32**
	Tax expense of discontinued operations		0	0
	Profit / (Loss) from discontinued operations after tax		(105.81)	4796.32
F	**Profit /(Loss) for the year**		**5418.88**	**(480.72)**
G	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss		0	0
	Remeasurement of post employment benefit obligations		(23.28)	146.39
	Gain/ (Loss) on fair valuation of investments		5.4	(4.09)
	Income tax (charge)/ credit relating to these items		0	0
	Other comprehensive income for the year, net of tax		(17.88)	142.3
Total comprehensive Profit/ (loss) for the year			**5401.00**	**(338.42)**

Standalone Profit & Loss for the year ended March 31, 2023

(All amounts are INR lakhs, except share data and unless otherwise stated)

₹ in Lakhs

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Earnings per share	38		
Earnings per equity share (For continuing operations):			
- Basic (Rs.)		13.54	(12.93)
- Diluted (Rs.)		13.54	(12.93)
Earnings per equity share (For discontinued operations) :			
- Basic (Rs.)		(0.26)	11.75
- Diluted (Rs.)		(0.26)	11.75
Earnings per equity share (For discontinued & continuing operations) :			
- Basic (Rs.)		13.28	(1.18)
- Diluted (Rs.)		13.28	(1.18)
Significant Accounting Policies	3		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For **Singhi & Co.,**
Chartered Accountants
Firm Registration No.302049E

Sd/-
Sudesh Choraria
Partner
Membership No. 204936

Place : Mumbai
Date: May 10, 2023

For and on behalf of the Board

Sd/-
Manish Dhanuka
Managing Director
DIN: 00238798

Sd/-
Mridul Dhanuka
Whole Time Director
DIN: 00199441

Sd/-
Sunil Gupta
Chief Financial Officer

Sd/-
Marina Peter
Company Secretary

Place : Gurgaon
Date: May 10, 2023

Statement of Cash Flows for the year ended March 31, 2023

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

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash Flow From Operating Activities		
Profit/ (loss) before income tax	5418.88	(480.72)
Adjustments for		
Depreciation and amortisation expense of continuing operations	5478.68	8702.08
(Profit)/ loss on sale of fixed assets (Net) (including Exceptional item)	(3998.5)	(0.04)
Profit on sale of Non current assets held for sale included in discontinuing operations	0	(8866.86)
Interest income	(61.8)	(41.88)
Forex (Gain)/ Loss Unrealised	651.48	513.97
Allowance for expected credit loss	118.83	366.73
Finance costs	3222.57	3201.17
(Profit) / loss on sale of investments	(1.54)	(51.24)
	10828.6	**3343.21**
Change in operating assets and liabilities		
(Increase)/ decrease in Other financial assets	(681.15)	2.4
(Increase)/ decrease in Inventories	(5608.17)	21.73
(Increase)/ decrease in Trade Receivables	(4870.12)	(1630.87)
(Increase)/ decrease in Other assets	721.4	2597.48
Increase/ (decrease) in Provisions and other liabilities	(581.61)	650.36
Increase/ (decrease) in Trade payables	1559.78	4162.95
Cash generated from operations	**1368.73**	**9147.26**
Less : Income taxes paid/ (refund received)	(29.85)	(190.6)
Net cash from operating activities (A)	**1338.88**	**8956.66**
Cash Flows From Investing Activities		
Purchase of Property, plant and equipment (including changes in CWIP)	(8455.3)	(1440.3)
Sale proceeds of Property, plant and equipment	93.55	9.35
Net Sale proceeds of Land & Buildings	5761	15940.81
(Purchase)/ disposal proceeds of Investments (net)	(103.56)	1238.32
Investment in equity share of associate companies	0	(4550)
(Investments in)/ Maturity of fixed deposits with banks	(27.27)	46.14
Interest received	61.81	48.81
Net cash used in investing activities (B)	**(2669.77)**	**11293.13**

Statement of Cash Flows for the year ended March 31, 2023

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

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash Flows From Financing Activities		
Proceeds from Short term Borrowings (net)	17319.84	1999.88
Repayment of Long term Borrowings (net)	(10980.63)	(20478.52)
Finance costs	(3222.57)	(3201.17)
Net cash from/ (used in) financing activities (C)	**3116.64**	**-21679.81**
Net increase/decrease in cash and cash equivalents (A+B+C)	**1785.75**	**(1430.02)**
Cash and cash equivalents at the beginning of the financial year	45.02	1475.04
Cash and cash equivalents at end of the year	**1830.77**	**45.02**
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	1830.11	41.56
- in fixed deposit with original maturity of less than 3 months	0	0
Cash on hand	0.66	3.46
	1830.77	**45.02**

3. Reconciliation of Liabilities arising from financing activiities

Particulars	Outstanding as at 1st April, 2022	Cash Flows	Non-Cash Changes	Outstanding as at 31st March, 2023
Long Term Borrowings	24511.22	(6,628.91)	1157.21	19039.52
Short Term Borrowings	2284.14	11,810.91		14095.05
Total Liabilities from financing activities	**26795.36**	**5,182.00**	**1157.21**	**33134.57**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For **Singhi & Co.,**
Chartered Accountants
Firm Registration No.302049E

For and on behalf of the Board

Sd/-
Manish Dhanuka
Managing Director
DIN: 00238798

Sd/-
Mridul Dhanuka
Whole Time Director
DIN: 00199441

Sd/-
Sudesh Choraria
Partner
Membership No. 204936

Sd/-
Sunil Gupta
Chief Financial Officer

Sd/-
Marina Peter
Company Secretary

Place : Mumbai
Date: May 10, 2023

Place : Gurgaon
Date: May 10, 2023

Statement of Changes in Equity for the year ended March 31, 2023

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

(A) Equity Share Capital

Balance at the end of April 1, 2021	**4,081.64**
Changes in equity share capital during prior period errors	-
Changes in equity share capital during the year	-
Balance at the end of March 31, 2022	**4,081.64**
Changes in equity share capital due to prior period errors	-
Changes in equity share capital during the period	-
Balance at the end of March 31, 2023	**4,081.64**

(B) Other Equity

Particulars	Capital Reserve	Capital Reserve on Amalgamation	Securities Premium Reserve	Equity component of Optionally convertible debentures	General Reserve	Other Comprehensive Income	Retained Earnings	Total
Balance as at March 31, 2021	**5105.69**	**163125.58**	**46447.86**	**6856.06**	**55851.9**	**(5.6)**	**(213329.45)**	**64052.04**
Total Comprehensive Income for the year	0	0	0	0	0	142.3	(480.72)	(338.42)
Changes due to prior period errors	0	0	0	0	0	0	0	0
Restated Balance as at April 1, 2021	**5105.69**	**163125.58**	**46447.86**	**6856.06**	**55851.9**	**136.7**	**(213810.17)**	**63713.62**
Additions/ (deductions) during the year	0	0	0	0	0	(146.39)	146.39	0
Balance as at March 31, 2022	**5105.69**	**163125.58**	**46447.86**	**6856.06**	**55851.9**	**(9.69)**	**(213663.78)**	**63713.62**
Total Comprehensive Income for the year						(17.88)	5418.88	5401
Changes due to prior period errors	0	0	0	0	0	0	0	0
Restated Balance as at April 1, 2022	**5105.69**	**163125.58**	**46447.86**	**6856.06**	**55851.9**	**(27.57)**	**(208244.9)**	**69114.62**
Additions/ (deductions) during the year						23.28	(23.28)	0
Balance as at March 31, 2023	**5105.69**	**163125.58**	**46447.86**	**6856.06**	**55851.9**	**(4.29)**	**-208268.18**	**69114.62**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For **Singhi & Co.,**
Chartered Accountants
Firm Registration No.302049E

Sd/-
Sudesh Choraria
Partner
Membership No. 204936

Place : Mumbai
Date: May 10, 2023

For and on behalf of the Board

Sd/-
Manish Dhanuka
Managing Director
DIN: 00238798

Sd/-
Mridul Dhanuka
Whole Time Director
DIN: 00199441

Sd/-
Sunil Gupta
Chief Financial Officer

Sd/-
Marina Peter
Company Secretary

Place : Gurgaon
Date: May 10, 2023

Notes to Financial Statements for the year ended March 31, 2023

1 Corporate Information

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

According to the Resolution Plan approved by the Hon'ble National Company Law Tribunal (NCLT) has, by its order dated June 27, 2019 and the order of the Hon'ble Supreme Court vide its order dated February 28, 2020, Dhanuka Laboratories Limited (DLL), the successful Resolution Applicant, implemented the resolution plan on March 31, 2020.

DLL infused the funds as per the terms of the resolution plan through a special purpose vehicle, Dhanuka Pharmaceuticals Private Limited. The special purpose vehicle was later on merged with the Company as per the terms of the approved resolution plan. Thus the Company became a subsidiary of M/s Dhanuka Laboratories Limited with effect from March 31, 2020.

2 Basis of preparation of financial statements

Statement of compliance

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

Basis of preparation and presentation

Pursuant to the order of the Hon'ble NCLT, the approved Resolution Plan was implemented during March 2020 and the Board of Directors of the Company was reconstituted on March 31, 2020 based on the nominations from the Resolution Applicant. DLL has also infused the amounts in the Company and settled all the financial and operating creditors of the Company as per the terms of the approved Resolution Plan.

In view of the implementation of the Resolution Plan, the financial statements have been prepared and presented by the Company on a going concern basis.

Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals).

The financial statements are approved for issue by the Board of Directors on May 10, 2023.

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)

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

New amendments issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments related to shifting of disclosure of accounting policies from "significant accounting policies" to "material accounting policies" in the notes to the financial statements requiring companies to reframe their accounting policies to make them more "entity specific. This amendment aligns with the "material" concept already required under International Financial Reporting Standards(IFRS). The Company does not expect this amendment to have any significant impact in its Standalone Financial Statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a "change in accounting estimates" has been replaced with a definition of "accounting estimates."

Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty." Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its Standalone Financial Statements.

Ind AS 12 – Income Taxes

The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12. At the date of transition to Ind ASs, a first-time adopter shall recognize a deferred tax asset to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. Similarly, a deferred tax liability is recognized for all deductible and taxable temporary differences associated with

A) Right-of-use assets and lease liabilities

B) Decommissioning, restoration and similar liabilities and the corresponding amounts are recognised as part of the cost of the related asset.

Therefore, if an Entity has not yet recognised deferred tax on right-of-use assets and lease liabilities or has recognised deferred tax on net basis, the same need to recognize on gross basis based on the carrying amount of right-of- use assets and lease liabilities

3 Significant Accounting Policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

I) Expected to be realised or intended to be sold or consumed in normal operating cycle

ii) Held primarily for the purpose of trading

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

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

All other assets are classified as non-current.

A liability is current when:

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

ii) It is held primarily for the purpose of trading

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

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

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 12 months as its operating cycle for the purpose of classification of its assets and liabilities as current and non-current.

b) Fair value measurement

The Company has applied the fair value measurement wherever necessitated at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i) In the principal market for the asset or liability;

ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non - financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

Level 1 : Quoted (unadjusted) market prices in active market for identical assets or liabilities;

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

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

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

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

c) Revenue Recognition

Sale of goods

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

Revenue is measured at the transaction price received or receivable, taking into account contractually defined terms of payment. It comprises of invoice value of goods after deducting discounts, volume rebates and applicable taxes on sale. It also excludes value of self-consumption.

Significant financing component

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised goods or services to the customer and when the customer pays for that goods or services will be one year or less.

Export entitlements

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

Interest Income

Interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend income

Dividend income is recognized when the company's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

d) Property, plant and equipment and capital work in progress Presentation

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under long term loans and advances and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

Component Cost

All material/ significant components have been identified and have been accounted separately. The useful life of such component are analysed independently and wherever components are having different useful life other than plant they are part of, useful life of components are considered for calculation of depreciation.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Machinery spares/ insurance spares that can be issued only in connection with an item of fixed assets and their issue is expected to be irregular are capitalised. Replacement of such spares is charged to revenue. Other spares are charged as revenue expenditure as and when consumed.

Derecognition

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

e) Depreciation on property, plant and equipment

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value.

Depreciation is provided on straight line method, over the useful lives specified in Schedule II to the Companies Act, 2013, except in respect of certain assets, where useful life estimated based on internal assessment and/or independent technical evaluation carried out by external valuer, past trends and differs from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/ sold. Additions to fixed assets, costing Rs.5000 each or less are fully depreciated retaining its residual value.

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

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of a separately acquired intangible asset comprises (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and (b) any directly attributable cost of preparing the asset for its intended use.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Drug Master Files ("DMF") and Abbreviated New Drug Applications ("ANDA") costs represent expenses incurred on development of processes and compliance with regulatory procedures of the US FDA, in filing DMF and ANDA, in respect of products for which commercial value has been established by virtue of third party agreements/ arrangements.

Useful life and amortisation of intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. The cost of each DMF/ ANDA (self generated intangible assets) is amortised to the extent of recovery of developmental costs applicable as per terms of the agreement or over a period of 5 years from the date on which the product covered by DMF/ ANDA is commercially marketed, whichever is earlier.

Subsequent cost and measurement

Subsequent costs are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally-generated intangibles, are recognised in the statement of profit and loss as incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

g) Inventories

Inventories are carried at the lower of cost or net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition, cost being determined based on weighted average method.

In respect of work-in-progress, intermediaries and finished goods, cost also includes the variable and fixed overhead incurred for bringing the inventory to present location and conditions.

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

h) Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are also added to the cost of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

Financial assets are classified into the following categories:

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

Debt instruments at amortised cost

The Company classifies a debt instrument as at amortised cost, if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

The Company classifies a debt instrument at FVTOCI, if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes finance income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

The Company classifies all debt instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Notes to Financial Statements for the year ended March 31, 2023

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of classifying the equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in OCI, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.'

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents SPPI, are measured as detailed below depending on the business model:

Classification	Name of the financial asset
Amortised cost	Trade receivables, Loans given to employees and others, deposits, interest receivable and other advances recoverable in cash.
FVTOCI	Equity investments in companies other than subsidiaries and associates if an option exercised at the time of initial recognition.
FVTPL	Other investments in equity instruments

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

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

b) Financial assets that are debt instruments and are measured at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 "Revenue from contract with Customers"

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116 "Leases"

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation of ECL for various financial instruments is described below:

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

- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done on the following basis:

Name of the financial asset	Impairment Testing Methodology
Trade Receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Financial liabilities

Initial recognition and measurement

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Classification	Name of the financial liability
Amortised cost	Borrowings, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits and other financial liabilities not for trading.
FVTPL	Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at higher of (i) The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 "Financial Instruments" and (ii) The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115 "Revenue from contract with customers".

Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Derecognition of financial liabilities

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

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

S. No	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
2	FVTPL	Amortised Cost	Fair value at reclassi-fication date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.

S. No	Original classification	Revised classification	Accounting treatment
3	Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
4	FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
5	FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
6	FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

I) Foreign currency transactions and translations

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date at which the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The Company enters into forward exchange contract to hedge its risk associated with foreign currency fluctuations. The premium or discount arising at the inception of a forward exchange contract is amortized as expense or income over the life of the contract. In case of monetary items which are covered by forward exchange contract, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference. Any profit or loss arising on cancellation of a forward exchange contract is recognized as income or expense for that year.

j) Borrowing Costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

k) Government grants

Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.

In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other operating revenue" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets". Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets".

Government grants related to assets, including non-monetary grants at fair value, shall be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset.

l) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified period.

The Company reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

m) Retirement and other employee benefits

Short-term employee benefits

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Other long term employee benefits

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

n) Leases

The Company has 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.All other Leases are recognized as follows :

a) Initial measurement

Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid. Right-of-use asset is recognized and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of restoration costs and any initial direct costs incurred by the lessee.

b) Subsequent measurement

The lease liability is measured in subsequent periods using the effective interest rate method. Right-of-use asset is depreciated in accordance with requirements in Ind AS 16, Property, Plant and equipment. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. However, Ind AS 116 provides the lessee with the option to recognise a low value asset or a short term lease (12 months of lesser) as an expense in the statement of profit and loss on a straight-line basis or any other systematic approach as adopted by the entity.

o) Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

p) Provisions, contingent liabilities and contingent asset

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made, if realisation of money is doubtful in the judgement of the management.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately. Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

Contingent assets

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect. Contingent assets are disclosed but not recognised in the financial statements.

q) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

r) Cash Flow Statement

Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

s) Non current assets held for sale and disposal groups

The Company classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Immediately before the initial classification of the asset (or disposal group) as held for sale, the carrying amounts of the asset (or all the assets and liabilities in the group) shall be measured in accordance with applicable Ind Ass

The Company measures a non-current asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less costs to sell. The Company does not depreciate (or amortise) a non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale shall continue to be recognised.

t) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

Notes to Financial Statements

(All the amounts are in lakhs of Indian rupees, unless otherwise stated) for the year ended March 31, 2023

₹ 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 March 31, 2021	**1228.12**	**0.61**	**14392.71**	**99046.03**	**219.09**	**10.02**	**1.59**	**326.76**	**1305.03**	**116529.96**	**1012.92**	**54.06**	**1066.98**
Additions	0	0	0	38	0	0	0	0	0	38	0	0	0
Disposals	0	0	0	(9.28)	0	(0.03)	0	0	0	(9.31)	0	0	0
Cost as at March 31, 2022	**1228.12**	**0.61**	**14392.71**	**99074.75**	**219.09**	**9.99**	**1.59**	**326.76**	**1305.03**	**116558.65**	**1012.92**	**54.06**	**1066.98**
Additions	1373.45	0	3432	46.16	1.81	0	2.26	0	0	4855.68	14.21	0	14.21
Disposals	(417.44)	0	0	(12.60)	(16.09)	0	0	0	0	(446.13)	(4.78)	0	(4.78)
Cost as at March 31, 2023	**2184.13**	**0.61**	**17824.71**	**99108.31**	**204.81**	**9.99**	**3.85**	**326.76**	**1305.03**	**120968.2**	**1022.35**	**54.06**	**1076.41**
Depreciation/ Amortisation													
As at March 31, 2021	**0**	**0.61**	**3126.77**	**45112.73**	**163.96**	**3.69**	**1.58**	**125.15**	**993.62**	**49528.11**	**1012.92**	**17.20**	**1030.12**
Charge for the year	0	0	711.36	7938.92	2.71	0	0	18.14	27.82	8698.95	0	3.13	3.13
Disposals	0	0	0		0	0	0	0	0	0	0	0	0
As at March 31, 2022	**0**	**0.61**	**3838.13**	**53051.65**	**166.67**	**3.69**	**1.58**	**143.29**	**1021.44**	**58227.06**	**1012.92**	**20.33**	**1033.25**
Charge for the year	0	0	788.9	4663.58	0.5	0	0.55	15.54	5.00	5474.07	1.46	3.13	4.59
Disposals	0	0	0	0	0	0	0	0	0				
As at March 31, 2023	**0**	**0.61**	**4627.03**	**57715.23**	**167.17**	**3.69**	**2.13**	**158.83**	**1026.44**	**63701.13**	**1014.38**	**23.46**	**1037.84**
Net Block													
As at March 31, 2022	1228.12	0	10554.58	46023.1	52.42	6.3	0.01	183.47	283.59	58331.59	0	33.73	33.73
As at March 31, 2023	2184.13	0	13197.68	41393.08	37.64	6.3	1.72	167.93	278.59	57267.07	7.97	30.6	38.57

Notes :

1 The title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as Property, Plant and Equipments in the financial statements, the lease agreements are in the name of the Company. In respect of assets given as collateral for loans taken from banks, the title deeds are in the custody of the respective banks.

2 The Company has not revalued its property, plant and equipment (including right-of-use asset) during the year, since the Company has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.

3 The Company has not revalued its intangible asset, since the Company has adopted cost model as its accounting policy to an entire class of Intangible Asset in accordance with Ind AS 38.

Notes to Financial Statements for the year ended March 31, 2023

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

₹ in Lakhs

		As at March 31, 2023	As at March 31, 2022
5	**Capital work-in-progress**		
	Property, plant and equipment under development	4,609.18	978.42
		4,609.18	**978.42**
	Refer Note 52 (a) for information relating to ageing schedule of Capital work in progress		
	Refer Note 52 (b) for information relating to estimated completion schedule of Capital work in progress		
6	**Non-current investments**		
	Investments in companies other than subsidiaries, associates and joint ventures at FVTOCI		
	Non - Trade		
	Investments in Equity Instruments (Quoted)		
	18,600 (PY: 18,600) equity shares of Rs.10 each in Bank of India Ltd, fully paid up	13.93	8.53
	Investments in Equity Instruments (Unquoted)		
	6,00,000 (PY : 6,00,000) equity shares of Rs. 10 each in Sai Regency Power Corporation Pvt.Ltd, fully paid up	60.00	60.00
	42,00,000 (PY: 31,50,000) equity shares of Rs.10 each in Investment in Nellai Renewables Private Limited, fully paid up	420.00	315.00
	1,19,568 (PY: 1,19,568) equity shares of Rs.10 each in MSE Financial Services Limited, fully paid up *	23.99	23.99
	8,823 (PY : 8,823) equity shares of Rs.1/- each allotted in Madras Enterprises Private Limited *	3.83	3.83
	Trade		
	Investments in Equity Instruments of Subsidiaries (Unquoted) at cost		
	Nil (PY: 10,000) Common Stock of GBP. 1 each in Orchid Europe Limited, UK, fully paid up (ceased during the year)	-	6.42
	2,00,000 (PY: 2,00,000) Common Stock of USD. 1 each in Orchid Pharmaceuticals Inc., USA, fully paid up	85.07	85.07
	99,99,990 (PY 99,99,990) Series A & 48,93,750 (PY: 48,93,750) Series B Convertible Preferred Stock par value USD 0.001 per share and 9,001,090 (PY: 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 (PY: 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 (PY: 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 (PY: 7,140,378) Series A Preferred stock & 3,22,986 (PY: 3,22,986) Common stock par value of 0.83595 USD per share in Diakron Pharmaceuticals, Inc. USA	2,825.01	2,825.01

₹ in Lakhs

		As at March 31, 2023	As at March 31, 2022
	994 (PY: Nil) Equity shares of Rs. 10 each in Orchid BioPharma Ltd	0.10	-
	Investments in Equity Instruments of Associate (Unquoted) at cost		
	4,55,00,000 (PY: 4,55,00,000) equity share of Rs.10 /- each in Orbion Pharmaceuticals Private Limited	4,550.00	4,550.00
		17,481.95	**17,377.87**
	Less: Provision for diminution in fair value of investments	(12,470.10)	(12,476.52)
	Total non-current investments	**5,011.85**	**4,901.35**
	Aggregate value of quoted investments	13.93	8.53
	Aggregate market value of quoted investments	13.93	8.53
	Aggregate value of unquoted investments	17,468.02	17,369.34
	Aggregate amount of impairment in value of investments	12,470.10	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.		
7	**Other non-current financial assets**		
	(Unsecured, considered good)		
	Security deposits for electricity and power	620.05	460.69
	Fixed deposits with banks (maturing after 12 month from the reporting date)	-	0.74
	Other Deposits	67.43	14.62
	(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)
		687.48	**476.05**
	Note : The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The loans given to subsidiaries and other parties during the pre-CIRP period have been fully provided for.		
8	**Non Current tax assets**		
	Advance income tax (net of provision for tax)	5,130.15	5,223.63
		5,130.15	**5,223.63**
9	**Other non-current assets**		
	(Unsecured, considered good)		
	Capital Advances	202.11	1,166.94
	(Unsecured, considered doubtful)		
	Advances to suppliers	15,333.30	15,333.30

Notes to Financial Statements for the year ended March 31, 2023

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

₹ in Lakhs

		As at March 31, 2023	As at March 31, 2022
		15,535.41	16,500.24
	Less: Provision for expected credit loss	(15,333.30)	(15,333.30)
		202.11	**1,166.94**
	Note :The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The advances given to suppliers during the pre-CIRP period have been fully provided for.		
10	**Inventories**		
	Raw Materials	7,588.65	4,283.13
	Intermediates & Work-in-progress	7,745.00	6,907.63
	Finished Goods	6,794.66	5,484.49
	Traded Good	-	-
	Stores and Spare parts	133.88	152.44
	Chemicals and Consumables	212.54	201.52
	Packing Materials	399.07	236.42
		22,873.80	**17,265.63**
	Inventory comprises of		
	Raw Materials		
	7Aca	1,102.39	335.13
	7-HACA	1,263.99	626.74
	Thiost	584.37	372.46
	GCLE	871.73	233.23
	Others	3,766.17	2,715.57
		7,588.65	**4,283.13**
	Intermediates & Work-in-progress		
	Cefuroxime Acid (Eu)	301.33	7.05
	Pavest	344.43	267.36
	Cefuroxime Axetil Crystallin Exdrier(Eu)	877.26	120.06
	7-Acta (E)	11.26	138.73
	Cefazolin Inter	9.43	128.75
	Cava (E)	180.87	126.61
	Others	6,020.42	6,119.07
		7,745.00	**6,907.63**
	Finished Goods		
	Cephalothin Sodium Buffered Sterile	430.64	330.11
	Ceftriaxone Sodium Ep (Sterile)	638.87	172.48

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

₹ in Lakhs

		As at March 31, 2023	As at March 31, 2022
	Cefuroxime Axetil Amorphous Blended	680.96	199.72
	Cefixime Powder (Ep)	67.17	9.00
	Others	4,977.02	4,773.18
		6,794.66	**5,484.49**
	Note: The Company has physically verified the inventories at reasonable intervals and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed during such verification.		
11	**Current Investments**		
	Fair valued through profit and loss		
	Investment in Mutual Funds	-	-
		-	-
12	**Trade receivables**		
	Trade Receivables considered good - Secured	-	-
	Trade Receivables considered good - Unsecured	21,190.73	16,022.73
	Trade Receivables which have significant risk increase in credit risk	-	-
	Trade Receivables credit impaired	8,213.70	8,094.87
		29,404.43	**24,117.60**
	Less: Allowance for expected credit loss	(8,213.70)	(8,094.87)
		21,190.73	**16,022.73**
	Note: Trade receivables are neither due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member, except to the extent disclosed in Note 50 relating to amounts receivable from related parties.		
	Refer Note 49 for information about risk profile of Trade Receivables under Financial Risk Management.		
	Refer Note 52 (c) for the ageing schedule of Trade Receivables.		
13	**Cash and cash equivalents**		
	Cash on hand	0.66	3.46
	Balances with banks		
	In current accounts	1,830.11	41.56
	In term deposits (having original maturity of less than 3 months)	-	-
		1,830.77	**45.02**

Notes to Financial Statements for the year ended March 31, 2023

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

₹ in Lakhs

		As at March 31, 2023	As at March 31, 2022
14	**Other Bank Balances**		
	In term deposits with banks (maturing within 12 months from the reporting date)	1.46	0.59
	In earmarked accounts		
	Escrow Accounts	310.55	323.60
	Fractional Shares Account with banks	90.90	51.45
		402.91	**375.64**
15	**Loans**		
	Loans considered good - Secured	-	-
	Loans considered good - Unsecured	-	-
	Loans which have significant risk increase in credit risk	-	-
	Loans to subsidiaries	-	
	Loans to subsidiaries - credit impaired	99.26	99.26
	Loans to subsidiaries - considered good	469.72	-
		568.98	**99.26**
	Less : Allowance for expected credit loss	(99.26)	(99.26)
		469.72	**-**
	Note :The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The loans given to subsidiaries and other parties during the pre-CIRP period have been fully provided for.		
16	**Other current financial assets**		
	(Unsecured, considered good)		
	Interest accrued	0.13	0.14
		0.13	**0.14**
17	**Current tax assets**		
	Advance income tax (net of provision for tax)	95.37	31.76
		95.37	**31.76**
18	**Non current assets held for sale and disposal groups**		
	Other buildings	-	1,328.97
		-	**1,328.97**
19	**Other current assets**		
	(Unsecured, considered good)		

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

₹ in Lakhs

		As at March 31, 2023	As at March 31, 2022
	Advance recoverable in cash or in kind		
	Advance to suppliers	935.18	305.93
	Prepaid expenses	363.70	697.57
	MEIS license scrips entitlement	-	588.70
	Balances with Statutory Authorities	1,217.07	1,645.15
	(Unsecured, considered doubtful)		
	Advances to suppliers	29.05	29.75
		2,545.00	**3,267.10**
	Less : Allowance for expected credit loss	(29.05)	(29.75)
		2,515.95	**3,237.35**
	Note :The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The advances given to certain suppliers during the pre-CIRP period have been fully provided for.		
20	**Equity Share Capital**		
	Authorised Share Capital		
	15,00,10,000 (Previous year 15,00,10,000) Equity shares of Rs. 10 each*	15,010.00	15,010.00
		15,010.00	**15,010.00**
	* The authorised share capital of the Company has increased by 10,000 shares of Rs.10 each pursuant to a scheme of amalgamation. However, the same is yet to be updated in the records of the registrar of companies. The Company is closely following it up for regularisation.		
	Issued Share Capital		
	4,08,16,400 (Previous year 4,08,16,400) Equity shares of Rs. 10 each	4,081.64	4,081.64
		4,081.64	**4,081.64**
	Subscribed and fully paid up share capital		
	4,08,16,400 (Previous year 4,08,16,400) Equity shares of Rs. 10 each	4,081.64	4,081.64
		4,081.64	**4,081.64**
Notes:			
(a)	**Reconciliation of number of equity shares subscribed**		
	Balance at the beginning and end of the period (Nos)	**40,816,400**	**40,816,400**

(b) **Shares held by holding, subsidiary and associate companies**

Name of the share holders	March 31, 2023		March 31, 2022	
	No of shares	%	No of shares	%
Dhanuka Laboratories Limited (holding company)*	36,719,957	89.96%	36,719,957	89.96%
There are no shares held by subsidiaries and associates in the Company.				

Notes to Financial Statements for the year ended March 31, 2023

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

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

Name of the share holders	March 31, 2023		March 31, 2022	
	No of shares	%	No of shares	%
Dhanuka Laboratories Limited (holding company)*	36,719,957	89.96%	36,719,957	89.96%
There are no shares held by subsidiaries and associates in the Company.				

* As per Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the Company is required to comply with the Minimum Public Shareholding ("MPS") requirements of 25% specified in rules 19(2) and 19A of the Securities Contracts (Regulation) Rules, 1957 on or before March 30, 2023. In order to comply with the above MPS requirement, the Company has obtained shareholders' approval for raising funds through the Qualified Institutional Placement ("QIP") route for an aggregate amount of upto Rs.500 Crore at its Extra Ordinary General Meeting held on December 29, 2022 and have also appointed the requisite authorised agencies for going ahead with the QIP, who have been actively working towards completing the process.

However due to weak market sentiments the Company, despite its best efforts, could not fulfil the above MPS requirement before the said deadline and the Company has submitted an application to SEBI seeking relaxation for a period of one year from March 30, 2023 to comply with the minimum public shareholding requirement under SEBI SCRR Rules and Listing Regulations.

(d) Shares held by promoters at the end of the year

Name of the share holder (promoter)	March 31, 2023		March 31, 2022		% of Change
	No of shares	% age	No of shares	% age	
Dhanuka Laboratories Limited (holding company)*	36,719,957	89.96%	36,719,957	89.96%	0.00%

(e) The company has only one class of equity shares having a par value of Rs.10 each. The equity shares of the company having par value of Rs.10/- rank pari-passu in all respects including voting rights and entitlement to dividend. The dividend proposed if any, by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year, the Company has not proposed any dividend

Notes to Financial Statements for the year ended March 31, 2023

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

₹ in Lakhs

		As at March 31, 2023	As at March 31, 2022
21	**Other Equity**		
	Capital Reserve	5,105.69	5,105.69
	Capital Reserve on Amalgamation	163,125.58	163,125.58
	Securities Premium	46,447.86	46,447.86
	Equity component of Optionally convertible debentures	6,856.06	6,856.06
	General Reserve	55,851.90	55,851.90
	Other Comprehensive Income	(4.29)	(9.69)
	Retained Earnings	(208,268.18)	(213,663.78)
		69,114.62	**63,713.62**
	a) Capital reserve		
	Balance at the beginning and end of the year	**5,105.69**	**5,105.69**
	Capital reserve was created in the earlier years in respect of business acquired by the Company. The Company can use this reserve for issuing fully paid up Bonus shares.		
	b) Capital Reserve on Amalgamation		
	Balance at the beginning and end of the year	**163,125.58**	**163,125.58**
	Capital reserve on Amalgamation was created in the earlier years as per approved resolution plan on the amalgamation of the special purpose vehicle with the Company. The Company can use this reserve for issuing fully paid up Bonus shares.		
	c) Securities Premium		
	Balance at the beginning and end of the year	**46,447.86**	**46,447.86**
	Securities Premium was credited when shares are issued at a premium. The Company can use this reserve to issue bonus shares, to provide for premium on redemption of shares or debentures, preliminary expenses and the commission paid or discount allowed on, any issue of shares or debentures of the company		
	d) Equity component of Optionally convertible debentures		
	Balance at the beginning and end of the year	**6,856.06**	**6,856.06**
	This represents the equity component accounted as per split accounting prescribed for compound financial instruments under Ind AS 109 "Financial Instruments". This will be available as free reserves once the Company completed the conversion of the debentures into equity.		
	e) General Reserve		
	Balance at the beginning and end of the year	**55,851.90**	**55,851.90**
	General Reserve represents the statutory reserve in accordance with Companies Act, 2013 wherein a portion of profit is apportioned to general reserve. This is a free reserve and the Company can use it for declaration of dividends, subject to the conditions prescribed by the Companies Act, 2013.		
	f) Other comprehensive income		
	Balance at the beginning of the year	(9.69)	(5.60)
	Net Other Comprehensive Income for the year	(17.88)	142.30
	(Deductions)/ Adjustments during the year	23.28	(146.39)

Notes to Financial Statements for the year ended March 31, 2023

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

		As at March 31, 2023	As at March 31, 2022
	Balance at the end of the year	(4.29)	(9.69)
	g) Retained Earnings		
	Balance at the beginning of the year	(213,663.78)	(213,329.45)
	Net profit/(loss) for the year	5,418.88	(480.72)
	Transfer from Other Comprehensive Income	(23.28)	146.39
	Balance at the end of the year	**(208,268.18)**	**(213,663.78)**
	Retained Earnings represent the undistributed profits/ accumulated losses of the Company remaining after transfer to other Reserves.		
22	**Long Term Borrowings**		
	Secured *		
	From Banks		
	Rupee Term Loans	3,205.16	-
	Foreign Currency Term Loans	4,959.26	14,778.80
	Unsecured Loans		
	0% Optionally Convertible Debentures	10,875.10	9,732.42
		19,039.52	**24,511.22**
	Less: Current maturities of long term borrowings (refer note 25)	(4,155.76)	(3,694.70)
		14,883.76	**20,816.52**
	* Refer Note 48 for repayment terms and security details.		
	Note : The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.		
	Registration, Modification and Satisfaction of charges relating to the year under review, had been filed with the ROC, within the prescribed time or within the extended time requiring the payment of additional fees.		
23	**Provisions (Non-current)**		
	Provision for Employee Benefits		
	Gratuity	1,011.32	868.56
	Compensated absence	248.86	232.73
		1,260.18	**1,101.29**
24	**Deferred Tax Asset / (Liability) - Net**		
	Deferred Tax Liability		
	On Property, plant and equipment	8,610.56	8,283.47
	On Others	322.62	322.62
		8,933.18	**8,606.09**
	Deferred Tax Asset		

		As at March 31, 2023	As at March 31, 2022
	On unabsorbed tax depreciation	8,610.56	8,283.47
	Net deferred tax asset / (liability)	**(322.62)**	**(322.62)**
	Note: In view of carry forward tax losses, the recognition of deferred tax asset has been scaled down to the extent of deferred tax liability		
25	Current liabilities - Borrowings		
	Secured*		
	Cash Credit Facility / Working Capital Demand Loans and Buyers Credit	14,095.05	2,284.14
	Current maturities of long term borrowings (refer note 22)	4,155.76	3,694.70
		18,250.81	**5,978.84**

* Refer Note 48 for repayment terms and security details

Note: Short term Borrowings (other than Current maturities of Long term borrowings) are secured by way of first pari passu hypothecation charge on trade receivables and inventories of the Company, present and future. The quarterly returns or statements filed by the Company with the banks or financial institutions are in agreement with the books of accounts, except in the following cases

Quarter ended	As per financials	As per returns filed with banks	Difference	Reason
June 30, 2022	23676.26	22702.90	973.36	The difference is mainly due to estimated over head rate considered while valuing WIP and FG given to the bank and the actual over head rate finalised on completion of limited review of the quarterly results. Also the bank stock statement does not include R&D Stock (INR 282.37 lacs)
September 30, 2022	23,601.95	23,386.97	214.98	The difference is mainly due to estimated over head rate considered while valuing WIP and FG given to the bank and the actual over head rate finalised on completion of limited review of the quarterly results. Also the bank stock statement does not include R&D Stock (INR 278.55 lacs)
December 31, 2022	23,337.45	21,376.13	1,961.32	The difference is mainly due to estimated over head rate considered while valuing WIP and FG given to the bank and the actual over head rate finalised on completion of limited review of the quarterly results. Also the bank stock statement does not include R&D Stock (INR 256.33 lacs)
March 31, 2023	22,873.80	24,059.23	(1,185.43)	The difference is mainly due to estimated over head rate considered while valuing WIP and FG given to the bank and the actual over head rate finalised on completion of the audit of the financial statements The bank stock statement does not include R&D Stock (253.38 lacs) and Provision for non moving stock created in Q4 - INR 54 lakhs.

The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.

Refer Note No. 49 for information about risk profile of borrowings under Financial Risk Management.

Notes to Financial Statements for the year ended March 31, 2023

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

₹ in Lakhs

		As at March 31, 2023	As at March 31, 2022
26	**Trade payables**		
	Dues to Micro enterprises and Small enterprises	158.44	340.27
	Dues to Creditors other than Micro and Small enterprises	13,493.86	11,733.46
		13,652.30	**12,073.73**
	* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. Refer note 44		
	Refer Note 49 for information about risk profile of trade payables under Financial Risk Management.		
	Refer Note 52(d) for information about ageing of trade payables		
27	**Provisions (Current)**		
	Provision for employee benefits		
	Gratuity	299.41	255.46
	Compensated absence	49.19	45.25
		348.60	300.71
28	**Other current liabilities**		
	Statutory Liabilities	148.36	98.39
	Fractional Share amount payable to shareholders	90.91	51.45
	Employee related payable	4.40	1.19
	Advance and deposits from customers etc.,	167.59	878.95
		411.26	**1,029.98**

		For the year ended March 31, 2023	For the year ended March 31, 2022
29	**Revenue from operations**		
	Sale of Products	65,561.06	55,348.97
	Sale of Services	104.52	77.28
	Other Operating Revenues		
	Sale of other materials	924.26	271.19
		66,589.84	**55,697.44**
	Details of Sale of products		
	Cephalosporin API	65,154.11	55,054.13
	Cephalosporin FDF	406.95	142.73
	Non Penicillin Non Cephalosporin FDF	-	152.11
		65,561.06	**55,348.97**

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

₹ in Lakhs

		For the year ended March 31, 2023	For the year ended March 31, 2022
30	**Other income**		
	Interest income	37.31	41.88
	Interest income on Loan to Subsidiaries	24.49	-
	Profit on sale of property plant and equipment	93.55	0.04
	Foreign exchange gain (net)	520.14	758.18
	Income from fair valuation of investments	-	-
	Profit on sale of investments	1.54	51.24
	Other non-operating income	1,266.02	48.95
		1,943.05	**900.29**
31	**Cost of materials consumed**		
	Opening inventory of raw materials	4,283.13	2,106.10
	Add : Purchases	43,915.13	35,856.92
	Less : Closing inventory of raw materials	(7,588.65)	(4,283.13)
		40,609.61	**33,679.89**
32	**Changes in inventories of work-in-progress, stock in trade and finished goods**		
	Opening stock		
	Intermediates & Work-in-progress	6,907.63	5,217.56
	Finished Goods	5,484.49	4,902.00
		12,392.12	**10,119.56**
	Closing stock		
	Intermediates & Work-in-progress	7,745.00	6,907.63
	Finished Goods	6,794.66	5,484.49
		14,539.66	**12,392.12**
	Total changes in inventories	**2,147.54**	**2,272.56**
33	**Employee benefits expense**		
	Salaries and wages	5,449.92	4,935.58
	Contribution to provident and other funds	424.91	542.21
	Staff welfare expenses	660.21	542.81
		6,535.04	**6,020.60**
34	**Depreciation and amortisation expense**		
	Depreciation on Property, Plant and Equipment	5,474.07	8,698.95
	Amortisation of Intangible Assets	4.59	3.13
		5,478.66	**8,702.08**

Notes to Financial Statements for the year ended March 31, 2023

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

₹ in Lakhs

		For the year ended March 31, 2023	For the year ended March 31, 2022
35	**Finance Cost**		
	Interest on bank borrowings	1,527.85	1,859.51
	Less : Transferred to Capital work in progress	69.32	-
	Net interest on bank borrowings	1,458.53	1,859.51
	Interest on others	1,764.04	1,341.66
		3,222.57	**3,201.17**
36	**Other expenses**		
	Power and fuel	6,126.21	5,273.93
	Consumption of Stores, Spares & Chemicals	1,255.53	1,272.56
	Rent	0.35	1.24
	Repairs to buildings	134.60	65.35
	Repairs to plant and machinery	83.02	57.02
	Factory maintenance	1,445.75	1,230.89
	Insurance	395.91	374.55
	Rates & Taxes	98.24	69.21
	Research & Development Expenses	636.21	662.63
	Advertisement	4.06	4.40
	Payment to Auditors [refer note 36 (a)]	35.25	34.53
	Cost Audit fee	2.00	2.00
	Travelling and Conveyance	51.21	19.70
	Directors' remuneration & perquisites	236.21	146.71
	Directors' travelling expenses	52.05	20.80
	Directors' sitting fees	8.00	9.75
	Freight outwards	698.41	953.92
	Commission on sales	675.02	1,070.75
	Business promotion and selling expenses	56.14	5.50
	Lease rentals	101.25	101.25
	Professional consultancy charges	445.49	300.23
	Allowance for expected credit loss	118.83	366.73
	Bank charges	67.65	144.43
	Loss on Discarding of property plant and equipment	16.09	-
	Miscellaneous expenses	487.40	355.51
		13,230.88	**12,543.59**

₹ in Lakhs

36 (a)	**Payment to auditors ***		
	For statutory audit	16.50	18.00
	For issuing limited review reports	7.50	12.00
	For tax audit	2.00	2.50
	For certificate and other services	9.25	1.82
	Out of pocket expenses	-	0.21
		35.25	**34.53**
	* including Rs.8.25 Lakhs paid to erstwhile auditors		
37	**Income tax expense**		
	In view of the carried forward losses under the taxation laws, no provision for tax is required to be created.		
	Movement of deferred tax expense		

For the year ended March 31, 2023

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	(8,283.47)	(327.09)	-	(8,610.56)
Unabsorbed tax depreciation (refer note below)	8,283.47	327.09	-	8,610.56
Other temporary differences	(322.62)	-	-	(322.62)
	(322.62)	**-**	**-**	**(322.62)**

For the year ended March 31, 2022

Deferred tax (liabilities)/assets in relation to	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant, and equipment and Intangible Assets	(14,933.97)	6,650.50	-	(8,283.47)
Unabsorbed tax depreciation (refer note below)	14,933.97	(6,650.50)	-	8,283.47
Other temporary differences	(322.62)	-	-	(322.62)
	(322.62)	**-**	**-**	**(322.62)**

Note :

Since the company has unabsorbed depreciation, it has scaled down the recognition of deferred tax asset to that extent it matches with the aggregate deferred tax liability arising on account of property, plant and equipment. However, no deferred tax asset has been created in respect of carry forward business losses in the absence of convincing evidence that future taxable income will be available.

Notes to Financial Statements for the year ended March 31, 2023

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

₹ in Lakhs

		For the year ended March 31, 2023	For the year ended March 31, 2022
38	**Earnings per share**		
	Profit for the year from continuing Operations	5,524.69	(5,277.04)
	Profit for the year from discontinued Operations	(105.81)	4,796.32
	Profit for the year from continuing & discontinued Operations	5,418.88	(480.72)
	Weighted average number of ordinary shares outstanding	40,816,400	40,816,400
	Earnings per equity share (For continuing operations):		
	- Basic (Rs.)	13.54	(12.93)
	- Diluted (Rs.)	13.54	(12.93)
	Earnings per equity share (For discontinued operations) :		
	- Basic (Rs.)	(0.26)	11.75
	- Diluted (Rs.)	(0.26)	11.75
	Earnings per equity share (For discontinued & continuing operations) :		
	- Basic (Rs.)	13.28	(1.18)
	- Diluted (Rs.)	13.28	(1.18)
39	**Earnings in foreign currency**		
	FOB value of exports	54,517.16	48,302.71
40	**Expenditure in foreign currency (on accrual basis)**		
	Interest and bank charges	668.52	145.05
	Professional consultancy charges	-	81.74
	Others	807.06	756.40
		1,475.58	983.19
41	**CIF value of imports**		
	Raw Materials and packing materials	24,897.93	19,507.06
	Spare parts, components and consumables	115.03	-
	Capital Goods	771.10	-
		25,784.06	**19,507.06**

42 **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, 2023		Year ended March 31, 2022	
	Rs. In Lakhs	Percentage (%)	Rs. In Lakhs	Percentage (%)
Raw Materials and Packing Materials				
Imported	22,170.44	54.59	19,252.59	57.16
Others	18,439.17	45.41	14,427.30	42.84
	40,609.61	**100.00**	**33,679.89**	**100.00**
Stores, Spares and Consumable stores				
Imported	36.30	2.89	55.06	4.33
Others	1,219.23	97.11	1,217.50	95.67
	1,255.53	**100.00**	**1,272.56**	**100.00**

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

43	**Expenditure on Research and Development**		
		For the year ended March 31, 2023	**For the year ended March 31, 2022**
	Revenue expenditure charged to the Statement of Profit or Loss includes:		
	Power and fuel	-	36.66
	Consumption of stores, spares and chemicals	133.31	104.94
	Salaries, wages and bonus	402.62	448.52
	Contribution to Provident and other funds	18.78	30.09
	Travelling and conveyance	0.27	-
	Filing and registration expenses	0.88	0.88
	Professional consultancy charges	63.96	14.96
	Others	16.39	26.58
		636.21	**662.63**
44	**Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under ***		
	(a) The principal amount remaining unpaid at the end of the year	158.44	340.27
	(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	15.51	-
45	**Commitments and contingent liabilities**		
	Contingent Liability		
	Claims against the company not acknowledged as debts		
	- Income Tax dispute pending before High Court of Chennai *	-	-
	- Other claims **	3,077.00	2,051.33
	Unexpired Letter of Credit	738.56	2,236.39
	Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	675.43	-

*The RP has confirmed that a public announcement was caused by the IRP regarding the initiation of corporate insolvency resolution process and submission of claims was called under section 15 on August 24, 2017. Pursuant to such public announcement, the IRP/ RP of the Corporate Debtor has received certain claims from statutory authorities which was admitted under the provisions of Insolvency and Bankruptcy Code, 2016 (IBC code) and subsequent settlement made as per the approved resolution plan. Accordingly, the Corporate Debtor/ Resolution Applicant/ SPV will have no additional exposure arising out of the claims towards the Statutory Dues which have not been admitted and/or the claims which have been rejected (partly or fully) by the RP and/or because of the re-classification in the category of creditor(s)

Considering the above, all statutory liabilities of pre-CIRP period is considered as completely settled and no liability, whatsoever, including contingent in nature is existing on implementation of the resolution plan.

Notes to Financial Statements for the year ended March 31, 2023

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

₹ in Lakhs

**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

The Company is in the process of discussion with the Lessor for the out of court settlement.

46 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.

47	Operating lease arrangements		
	Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
	As Lessee The Company has entered into operating lease arrangements for certain facilities. The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties.		
	Lease payments recognised in the Statement of Profit and Loss	101.25	101.25

48 Terms and conditions of borrowings

A) Long term borrowings - Term loans from banks

1) Foreign Currency Term Loan:

As per the terms of the Loan agreement, Interest for the Foreign Currency Term Loan (FCTL) is @ 6 Months SOFR plus 2.00% margin. This Loan is repayable in 14 equal quarterly installments starting from December 2021. However, in March 2023 the Company has pre-paid Rs.60 Crore against the sale of non-core asset. Now, the balance loan will be fully settled by September 2024.

2) Rupee Term Loan :

New Rupee term loan of Rs.50 Crore was sanctioned during the year with the terms of interest @ 8.36% per annum linked with 3 months T bill with a tenor of 54 months including a moratorium of 12 months from first disbursement. First instalment will fall due in Dec 2023

The Loan is secured by way of :

I) Exclusive charge on the moveable fixed assets of the Company funded out of the Term Loan by way of hypothecation,both present and future

ii) First pari passu charge over

a) all other movable fixed assets of the Company by way of hypothecation, both present and future

b) Immovable Fixed Assets by way of mortgage of land/ leasehold rights and all the buildings of the Company at Alathur, both present and future

c) all the rights, titles, interest, benefits, claims & demand whatsoever of the Company as amended, varied or supplemented from time to time

d) 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.

e) intangibles, goodwill, uncalled capital , present and future

iii) 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

3) Long term borrowings - 0% Optionally Convertible Debentures

Debentures During the year ended March 31, 2020, the Company has issued 14,300 0% Optionally Convertible Debentures (OCD) of Rs.1,00,000 each. In case, the OCD holders exercise their option to convert the same, then the said conversion shall happen only on the basis of face value of each of the OCD and no interest shall be payable to the OCD holders. However, if the OCD holders opt not to exercise their option for conversion, then the OCL holders shall be entitled to redemption premium of atleast 11 % IRR on annual basis on the amount of the said OCDs or such higher amount as the Board decides after considering the market price of shares of the Company; however in any case, redemption premium shall not exceed beyond 18% IRR on an annual basis. The said OCD, till the time it is not converted into equity shares, shall not be listed on any stock exchange in India and are permitted to be transferred only with the permission of the Board of Directors of the Company. Further there shall be no redemption of OCDs, including payment of interest/ other kind of return of what so ever nature thereon, until entire outstanding of the loan availed from Union Bank of India is paid in full to the lender.

B) Short term borrowings

During the year YES Bank has sanctioned Rs.75 Crore Working Capital credit facility (100% interchangeable) with terms of 3 months T bill + 3.11%. Spread. Further, HDFC Bank has sanctioned additional non-fund based working capital facility of Rs.19 Crore.

The cash credit limits and working capital demand loan with the banks are secured by:

I) First Pari pasu charge by way of hypothecation over the entire current assets, both present and future.

ii) Second pari passu charge on all movable fixed assets by way of hypothecation, of all movable fixed assets of the Company, both present and future.

iii) Second pari passu charge by way of mortgage of land/ leasehold rights and all the buildings present and future of the Company.

iv) First pari passu charge over all the rights, titles, interests, benefits, claims and demand whatsoever of the Company and as amended, varied or supplemented from time to time.

v) First pari passu charge on all the titles, interests, benefits, claims and demand whatsoever of the Company, in any letter of credit, guarantee or performance bond provided by any party to OPL, present or future.

vi) First pari passu charge on intangibles, goodwill uncalled capital present and future.

vii) The cash credit limits and working capital demand loan are additionally secured by personal guarantee given by Managing Director of the Company Mr. Manish Dhanuka and one of the director of the holding company Mr. Mahendra Kumar Dhanuka

49 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.

Gearing Ratio	March 31, 2023	March 31, 2022
Debt	19,039.52	24,511.22
Less: Cash and bank balances	2,233.68	420.66
Net debt	16,805.84	24,090.56
Total equity	73,196.26	67,795.26
Gearing ratio (%)	22.96%	35.53%

Notes to Financial Statements for the year ended March 31, 2023

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

Categories of Financial Instruments	March 31, 2023	March 31, 2022
Financial assets		
a. Measured at amortised cost		
Other non-current financial assets	687.48	476.05
Trade receivables	21,190.73	16,022.73
Cash and cash equivalents	1,830.77	45.02
Bank balances other than above	402.91	375.64
Loans	469.72	-
Other financial assets	0.13	0.14
b. Mandatorily measured at FVTOCI		
Investments	5,011.85	4,901.35
c. Mandatorily measured at FVTPL		
Current Investments	-	-
Total	**29,593.59**	**21,820.93**
Financial liabilities		
a. Measured at amortised cost		
Borrowings (non-current, excluding current maturities)	14,883.76	20,816.52
Borrowings (current)	18,250.81	5,978.84
Trade payables	13,652.30	12,073.73
b. Mandatorily measured at FVTPL		
Derivative instruments	-	-
Total	**46,786.87**	**38,869.09**

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:

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

As on March 31, 2023

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	143.84	-	143.84	269.02	-	269.02	125.18
EUR	1.91	-	1.91	0.97	-	0.97	(0.94)
Others	0.02	-	0.02	-	-	-	(0.02)
In INR	12,049.05	-	12,049.05	22,110.48	-	22,110.48	10,061.43

As on March 31, 2022

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	254.42	-	254.42	247.10	-	247.10	(7.32)
EUR	2.28	-	2.28	0.97	-	0.97	(1.31)
GBP	-	-	-	-	-	-	-
Others	2.17	-	2.17	-	-	-	(2.17)
In INR	19,557.21	-	19,557.21	18,884.32	-	18,884.32	(672.89)

Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

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

Interest rate risk management

The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

Interest rate sensitivity analysis The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Company's Profit/ (loss) for the year ended March 31, 2023 would decrease/ increase by Rs. 55.09 lakhs (March 31, 2022 : Rs.36.95 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.

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

March 31, 2023	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	13,652.30	-	-	13,652.30
Borrowings (including interest accrued thereon upto the reporting date)	18,250.81	14,883.76	-	33,134.57
	31,903.11	**14,883.76**	**-**	**46,786.87**
March 31, 2022	**Due in 1st year**	**Due in 2nd to 5th year**	**Due after 5th year**	**Carrying amount**
Trade payables	12,073.73	-	-	12,073.73
Borrowings (including interest accrued thereon upto the reporting date)	3,694.70	23,100.66	-	26,795.36
	15,768.43	**23,100.66**	**-**	**38,869.09**

	March 31, 2023	March 31, 2022
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	Nil	Nil

50	**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 (Upto 27th September 2022)
		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
		Orchid Bio - Pharma Limiited
	Associate Company	Orbion Pharmaceuticals Private Limited
	Enterprises in which the KMPs are having control/ significant influence	Otsuka Chemical (India) Pvt Ltd
		Synmedic Laboratories
		Dhanuka Agritech Ltd.
		Dhanuka Pharmaceuticals Private Ltd.
		Dhanuka Fiinvest Private Ltd.
		Madhuri Designs-N-Exports Private Ltd.
		Invest Care Real Estate LLP
		Golden Overseas Private Ltd.
		M D Buildtech Private Ltd.

Notes to Financial Statements for the year ended March 31, 2023

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

		Dhanuka Infotech Private Ltd.
		Duke Impex Private Ltd.
		A.M. Bros. Fintrade Private Ltd.
		NorthernMinerals Ltd.
		Growth Advertising and Marketing Pvt Ltd.
		Liberty Sales Private Ltd.
		Agrihawk Technologies Private Ltd.
		Star Living Infrastructure Advisors LLP
		Dhanuka Chemicals Private Ltd.
		H D Realtors Private Ltd.
		Turbos Advisers LLP
		Cosmo Components Private Ltd.
	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 (upto 30th January, 2023)
	Mr. Mahendra Kumar Dhanuka	Relative of Directors
	Mr. Sunil Gupta	Chief Financial Officer
	Ms. K Nikita	Company Secretary (upto 22nd July, 2022)
	Ms. Marina Peter	Company Secretary (w.e.f. 6th September, 2022)

c) Transactions with related parties are as follows

Transactions/ Balances	Holding Company		Subsidiary and Associate Companies		Enterprises in which Key Management Personnel and their Relatives have significant influence		Key Management Personnel and their Relatives	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Sale of goods	817.62	772.24	5.05	739.63	107.50	167.01	-	-
Purchase of goods	2,172.80	2,044.10	26.77		13,406.93	8,596.94	-	-
Purchase of land & Buildings	2,696.13				1,971.62			
Leasing of land and buildings	147.15				100.19			
Rental deposit paid	-				19.10			
Expenses paid	0.16							
Interest received	-		24.49					
Loans given	-		445.23					
Investment made	-	-	0.01	4,550.00				
Sale of Undertaking	-	-	(105.81)	15,940.81				
Remuneration & Short term benefits*	-	-			-	-	246.69	155.03
Capital advances paid	-	674.03	-		-	492.90		
					-		-	

Notes to Financial Statements for the year ended March 31, 2023

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

d) Balances with related parties are as follows

₹ in Lakhs

Transactions/ Balances	Holding Company		Subsidiary and Associate Companies		Enterprises in which Key Management Personnel and their Relatives have significant influence		Key Management Personnel and their Relatives	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Trade receivables	39.22	-	3,860.45	3,844.57	75.62		-	-
Provision for Expected Credit Loss- Trade Receivables			(3,839.28)	(3,839.28)				
Loans and advances (Current)	-	-	5,229.36	5,229.36				
Provision for Expected Credit Loss - Loans & Advances			(5,229.36)	(5,229.36)				
Loans Advanced			469.72					
Trade payables	428.39	-	166.23		3,481.99	3,503.39	-	-
Equity Share Capital	-	-			-	-	-	-
Investments			4,550.01					
Advance for purchase of land	-	674.03			-	492.90	-	-
Rent deposit					19.10			
Remuneration payable							45.96	-
0% Optionally Convertible ebentures (including the equity component disclosed under "Other Equity")	14,300.00	14,300.00			-	-	-	-

e) Material related party transactions are as follows

Transactions/ Balances	Year ended March 31, 2023	Year ended March 31, 2022
Sale of goods		
Orchid Pharma Inc.	-	734.34
Synmedic Laboratories	107.50	167.01
Dhanuka Laboratories Limited	817.62	772.24
Orbion Pharmaceuticals Private Limited	5.05	5.29
Purchase of goods		
Dhanuka Laboratories Limited	2,172.80	2,044.10
Otsuka Chemical (India) Pvt Ltd	13,406.93	8,596.94
Purchase of Land and buildings		
Dhanuka Laboratories Limited	2,696.13	
Synmedic Laboratories	1,971.62	

Notes to Financial Statements for the year ended March 31, 2023

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

₹ in Lakhs

Transactions/ Balances	Year ended March 31, 2023	Year ended March 31, 2022
Lease rentals for Land and buildings		
Dhanuka Laboratories Limited	147.15	
Synmedic Laboratories	100.19	
Rental deposit paid		
Dhanuka Agritech Limited	19.10	-
Advance for purchase of Land		
Dhanuka Laboratories Limited	-	674.03
Synmedic Laboratories	-	492.90
Investments in associate Company		
Orbion Pharmaceuticals Private Limited	-	4,550.00
Orchid Bio-pharma Limited	0.01	-
Sale of Undertaking		
Orbion Pharmaceuticals Private Limited	(105.81)	15,940.81
Remuneration & Short term benefits		
Manish Dhanuka	118.11	73.35
Mridul Dhanuka	118.11	73.35
K. Nikita	3.17	8.33
Marina Peter	7.30	

f) Material related party balances are as follows

Transactions/ Balances	Year ended March 31, 2023	Year ended March 31, 2022
Trade receivables		
Orchid Pharma Inc.*	3,839.28	3,839.28
Orbion Pharmaceuticals Private Limited	21.17	5.29
Dhanuka Laboratories Limited	39.22	-
Synmedic Laboratories	75.62	-
Trade payables		
Dhanuka Laboratories Limited	428.39	-
Otsuka Chemical (India) Pvt Ltd	3,481.99	3,472.27
Orchid Europe Limited	33.65	31.12
Orbion Pharmaceuticals Private Limited	132.58	-

₹ in Lakhs

Transactions/ Balances	Year ended March 31, 2023	Year ended March 31, 2022
Loans given		
Orchid Bio-pharma Limited	469.72	-
Rental deposit received		
Dhanuka Agritech Limited	19.10	-
Advance for purchase of Land		
Dhanuka Laboratories Limited	-	674.03
Synmedic Laboratories	-	492.90
Equity Share Capital		
Dhanuka Laboratories Limited	3,672.00	3,672.00
Investment		
Orbion Pharmaceuticals Private Limited	4,550.00	4,550.00
Orchid Bio-pharma Limited	0.01	-
0% Optionally Convertible Debentures		
(including the equity component disclosed under "Other Equity")		
Dhanuka Laboratories Limited	14,300.00	14,300.00

51 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.424.91 Lakhs (for the year ended March 31, 2022: Rs. 589.33 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.

Notes to Financial Statements for the year ended March 31, 2023

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

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, 2023	March 31, 2022
Discount Rate	7.27%	7.04%
Rate of increase in compensation level	7.00%	7.00%
Expected return on plan assets	7.04%	6.68%
Mortality	Indian Assured Lives Mortality (2012-14) (Ultimate)	Indian Assured Lives Mortality (2012-14) (Ultimate)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

	March 31, 2023	March 31, 2022
Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:		
Amount recognised under Employee Benefits Expense in the Statement of profit and Loss:		
Current service cost	88.48	82.26
Net interest expense	97.47	97.81
Return on plan assets	(22.52)	(23.41)
Components of defined benefit costs recognised in profit or loss	163.43	156.66
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	23.28	(146.39)
Components of defined benefit costs recognised in other comprehensive income	23.28	(146.39)
Components of defined benefit costs recognised in other comprehensive income	186.71	10.27
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.		

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

	March 31, 2023	March 31, 2022
The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:		
Present value of defined benefit obligation	1,588.19	1,440.26
Fair value of plan assets	(277.46)	(316.24)
Net liability/ (asset) arising from defined benefit obligation	1,310.73	1,124.02
Funded	1,310.73	1,124.02
Unfunded	-	-
	1,310.73	**1,124.02**
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:		
Opening defined benefit obligation	1,440.26	1,521.80
Current service cost	88.48	82.26
Interest cost	97.47	97.81
Actuarial (gains)/losses	73.58	(146.39)
Benefits paid	(111.60)	(115.21)
Rounding off	-	(0.01)
Closing defined benefit obligation	**1,588.19**	**1,440.26**
Movements in the fair value of the plan assets in the current year were as follows:		
Opening fair value of plan assets	316.24	408.04
Return on plan assets	22.52	23.41
Benefits paid	(111.60)	(115.21)
Actuarial gains/(loss)	50.30	-
Closing fair value of plan assets	**277.46**	**316.24**

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

Notes to Financial Statements for the year ended March 31, 2023

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

₹ in Lakhs

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].

52 Additional regulatory and other information as required by the Schedule III to the Companies Act 2013

(a)	Ageing Schedule of Capital Work-in-Progress (CWIP) - March 2023					
	Particulars	**Amount in CWIP for a period of**				**Total**
		Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
	(i) Projects in Progress	3,630.76	242.87	1.57	733.98	4,609.18
	(ii) Projects temporarily suspended	-	-	-	-	-
		3,630.76	**242.87**	**1.57**	**733.98**	**4,609.18**

Note: The Company do not have any projects whose activity has been suspended.

	Ageing Schedule of Capital Work-in-Progress (CWIP) - March 2022					
	Particulars	**Amount in CWIP for a period of**				**Total**
		Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
	(I) Projects in Progress	242.87	1.57	3.01	730.97	978.42
	(ii) Projects temporarily suspended	-	-	-	-	-
		242.87	**1.57**	**3.01**	**730.97**	**978.42**

(b)	Completion Schedule for Capital Work-in-Progress whose completion is overdue					
	Particulars	**To be completed in**				**Total**
		Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
	Phase 27 Project (mainly due to CIRP process)*	4,609.18	-	-	-	**4,609.18**

* The Project is now being actively implemented by the management and is likely to be completed in the near future.

Notes to Financial Statements for the year ended March 31, 2023

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

(c) Ageing Schedule of Trade Receivables

As at March 31, 2023							
Particulars	**Outstanding for following periods from due date of payment**						**Total**
	Not due	**Less than 6 months**	**6 months to 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
Undisputed Trade Receivables							
Considered good	15,810.32	5,380.41	-	-	-	-	21,190.73
Which have significant increase in credit risk and considered doubtful							
	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	19.35	7,934.74	7,954.09
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk and considered doubtful							
	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	259.61	259.61
	15,810.32	**5,380.41**	**-**	**-**	**19.35**	**8,194.35**	**29,404.43**
Less: Expected Credit Loss Allowance							(8,213.70)
							21,190.73

As at March 31, 2022							
Particulars	**Outstanding for following periods from due date of payment**						**Total**
	Not due	**Less than 6 months**	**6 months to 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
Undisputed Trade Receivables							
Considered good	13693.23	2,329.50	-	-	-	-	16,022.73
Which have significant increase in credit risk and considered doubtful							
	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	7,835.26	7,835.26
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk and considered doubtful							
	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	259.61	-	259.61
	13,693.23	**2,329.50**	**-**	**-**	**259.61**	**7.835.26**	**24,117.60**
Less: Expected Credit Loss Allowance							(8,094.87)
							16,022.73

(d)	Ageing Schedule of Trade Payables						
	Particulars	**Outstanding for following periods from due date of payment**					**Total**
		Not due	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
	As at March 31, 2023	-	-	-	-	-	
	(I). MSME	96.91	41.94	1.30	1.14	17.15	158.44
	(ii) Others	8,660.25	2,909.40	134.23	126.43	562.80	12,393.11
	(iii). Disputed Dues - MSME	-	-	-	-	-	-
	(iv). Disputed Dues - Others	-	-	-	-	-	-
	(v). Unbilled Dues	1,035.91	58.70	6.14	-	-	1,100.75
		9,793.07	**3,010.04**	**141.67**	**127.57**	**579.95**	**13,652.30**
	As at March 31, 2022						
	(i). MSME	314.96	15.74	0.82	7.46	1.29	340.27
	(ii) Others	4,121.90	5,519.04	592.52	109.03	419.33	10,761.82
	(iii). Disputed Dues - MSME	-	-	-	-	-	-
	(iv). Disputed Dues - Others	-	-	-	-	-	-
	(v). Unbilled Dues	27.99	756.54	24.70	77.10	85.31	971.64
		4,464.85	**6,291.32**	**618.04**	**193.59**	**505.93**	**12,073.73**

(e) Proceedings under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder

There are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder

(f) Borrowings from banks

The Company is not declared as wilful defaulter by any bank or financial Institution or other lenders.

(g) Relationship with Struck off Companies

The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.

(h) Compliance with number of layers of companies

The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(i) Key Financial Ratios

Particulars	Unit of Measurement	March 31, 2023	March 31, 2022	Variation in %
Current Ratio	In multiple	1.73	2.44	(29%)
Debt-Equity Ratio	In multiple	0.45	0.40	13%
Debt Service Coverage Ratio	In multiple	1.24	0.49	153%
Return on Equity Ratio	In %	8.00%	(1.00%)	(9.0%)
Inventory Turnover Ratio	In Days	110.00	106.00	4%
Trade receivables Turnover Ratio	In Days	102.00	96.00	6%
Trade payables Turnover Ratio	In Days	104.00	93.00	12%
Net Capital Turnover Ratio	In %	3.74	1.64	128%
Net Profit Ratio	In %	8.00%	(1.00%)	(900%)
Return on Capital Employed	In %	8.58%	2.75%	212%
Return on Investment (Assets)	In %	4.68%	(0.41%)	(1241%)

Formula adopted for above Ratios:

Current Ratio = Current Assets / (Total Current Liabilities – Security Deposits payable on Demand – Current maturities of Long Term Debt)Debt-Equity Ratio = Total Debt / Total Equity

Debt Service Coverage Ratio = (EBITDA – Current Tax) / (Principal Repayment + Gross Interest on term loans)Return on Equity Ratio = Total Comprehensive Income / Average Total Equity

Inventory Turnover Ratio (Average Inventory days) = 365 / (Net Revenue / Average Inventories)Trade receivables Turnover Ratio (Average Receivables days) = 365 / (Net Revenue / Average Trade receivables)Trade Payables Turnover Ratio (Average Payable days) = 365 / (Credit Purchases / Average Trade payables) Net Capital Turnover Ratio =((Net Sales / Average Working Capital (Current Assets-Current Liabilities)) Net Profit Ratio = Net Profit / Net Revenue

Return on Capital employed = (Total Comprehensive Income + Interest) / (Average of (Equity + Total Debt))Return on Investment (Assets) = Total Comprehensive Income / Average Total Assets

Reasons for Variation if more than 25% Current Ratio

The current ratio is lower mainly due to increase in Short term loans availed for meeting higher working capital requirements.

Debt equity ratio

Major portion of the term loans have been repaid during the year and accordingly, the Debt Equity Ratio has improved.

Debt Service Coverage Ratio

Due to significant decrease in loss,and due to profit on sale of undertaking, the Debt Service Coverage Ratio has significantly improved.

Net Capital Turnover Ratio

Due to increase in short term borrowings compared to earlier year,the Capital turnover ratio had increased

Net Profit Ratio

Due to improved Turnover and profitability and also due to one time gain on sale of immovable property the net profit ratio has increased

Return on Capital Employed

Due to improved profitability and also due to one time gain on sale of immovable property the net profit is much higher resulting in increase in the Return on Capital employed during the year

Return on Investment (Assets)

Due to improved profitability and also due to one time gain on sale of immovable property the net profit is much higher resulting in increase in the Return on Investments during the year

(j) Scheme of arrangements

There are no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

(k) Advance or loan or investment to intermediaries and receipt of funds from intermediaries

The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The company has also not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(l) Undisclosed Income

The Company do not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.

(m) Details of Crypto Currency or Virtual Currency

The Company did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence, disclosures relating to it are not applicable.

53 Discontinuing operations

During the previous year the Company had completed the sale of IKKT Division which was previously classified as disposal group as per Ind AS 105 "Non Current Assets held for sale and Discontinued operations". Further, during the year the related working capital adjustment as per the Sale Agreement was finailised and the resultant net outflow amounting to Rs.105.81 lakhs has been disclosed under discontinuing operations .

	As at March 31, 2023	As at March 31, 2022
Liabilities		
Non Current liabilities	-	-
Financial Liabilities	-	-
Other Current Liabilities	-	-
Total liabilities	-	-
Assets		
Property, Plant and Equipment (PPE)	-	-
Intangible Assets	-	-
Capital Work in Progress	-	-
Intangible under development	-	-
Non Current Financial Assets	-	-
Current Financial Assets	-	-
Other current assets	-	-
Total Assets	-	-
Net Assets/ (Liabilities)	-	-

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

(ii) The revenue and expenses in respect of ordinary activities attributable to discontinuing operations

	For the quarter ended March 31, 2023	For the year ended March 31, 2022
Revenue		
Revenue from operations	-	1,294.59
Other Income	(105.81)	7,530.09
Total revenue (a)	**(105.81)**	**8,824.68**
Expenses		
Cost of materials consumed	-	276.45
Changes in inventories of work-in-progress, stock in trade and finished goods	-	512.73
Employee benefits expense	-	439.75
Depreciation and amortization expense	-	-
Other expenses	-	2,799.43
Total expenses (b)	**-**	**4,028.36**
Profit/ (Loss) before exceptional item and tax (a-b) = (c)	**(105.81)**	**4,796.32**
Less : Exceptional item	**-**	**-**
Profit/ (Loss) before tax	**(105.81)**	**4,796.32**
Tax expenses	**-**	**-**
Profit/ (Loss) from discontinuing operations	**(105.81)**	**4,796.32**

54 During the year the Company completed the sale of land and buildings at Orchid Towers, Chennai which was classifed in earlier years as "Non Current asset held for sale". The resultant profit on sale of the assets amounting to Rs. 3921.04 Lakhs is treated as an exceptional item in the Statement of profit and loss.

55 Previous year figures have been regrouped or rearranged wherever considered necessary.

As per our report of even date attached
For **Singhi & Co.,**
Chartered Accountants
Firm Registration No.302049E

Sd/-
Sudesh Choraria
Partner
Membership No. 204936

Place : Mumbai
Date: May 10, 2023

For and on behalf of the Board

Sd/-
Manish Dhanuka
Managing Director
DIN: 00238798

Sd/-
Mridul Dhanuka
Whole Time Director
DIN: 00199441

Sd/-
Sunil Gupta
Chief Financial Officer

Sd/-
Marina Peter
Company Secretary

Place : Gurgaon
Date: May 10, 2023

INDEPENDENT AUDITOR'S 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** (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its Associate, which comprise of the consolidated balance sheet as at March 31,2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting 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 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 31 March 2023, of its consolidated profit (including other comprehensive income), consolidated Total comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended on that date.

Basis for Qualified Opinion

We draw attention to the fact that the Consolidated Financial Statements for the year ended March 31, 2023 include the financial statements for the year ended March 31, 2023, of the following subsidiary companies:

i) Orchid Europe Limited, UK (Upto 27th September 2022)

ii) Orchid Pharmaceuticals Inc., USA

iii) Bexel Pharmaceuticals Inc., USA

iv) Orchid Pharmaceuticals SA(Proprietary) Limited, South Africa

v) Diakron Pharmaceuticals, Inc. USA

vi) Orchid Bio-Pharma Limited

The consolidated financial statements also include the financial information of M/s Orbion Pharmaceuticals Private Limited, an associate company accounted under equity method.

We did not audit the financial statements of the above subsidiaries and Associate whose financial statements reflect total Assets of Rs.2253.16 Lakhs and net Assets of Rs.(-)4331.36 Lakhs as at March 31, 2023, total revenue from operations of Rs. Nil, total comprehensive income after tax of Rs.(-)571.70 Lakhs for the year ended March 31, 2023 respectively and net cash flows amounting to Rs.43.30 Lakhs for the year ended on that date as considered in the consolidated financial statements. We also did not audit the Group's share of net Profit / loss (after tax) of Rs.(-) 215.35 Lakhs of the associate for the year ended March 31, 2023, as considered in the consolidated financial statements

The standalone financial statements of the subsidiaries and associate are unaudited and have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries and associate, is based solely on such unaudited financial statements. Accordingly, we do not express any opinion on the completeness and true and fair view of the financial statements, including adjustments, if any, required on the carrying amount of assets and liabilities of the above subsidiaries and associate as at March 31, 2023 included in the Consolidated Financial Statements.

We conducted our audit of the consolidated financial statements` in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the 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 Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the following matter:

Note 41 to the financial statements relating to the fact that the Group has taken certain lands on lease for its operations in respect of which the lease agreement expired before the date of commencement of the Corporate Insolvency Resolution Process. We were informed that as part of the right to review the existing agreements, the Group has made a detailed assessment of the market rent for the property and the market value of the property for outright purchase. We were also informed that since the present rent as per erstwhile lease agreement is significantly high considering the market value of the property itself, the Group is in talks with the lessor for renewal of the lease with lower rent or for outright purchase of the property as part of the implementation of the resolution plan. However, no finality is reached on this matter as of date.

Pending completion of the negotiation and the uncertainties involved, the Group disputed the portion of the lease rent, considered to be excessive than the market rate as assessed by an independent valuer, amounting to INR 3,077.00 upto Lakhs March 31, 2023 in respect of the aforesaid lease. The same has been treated as contingent liability in the Consolidated financial statements of the group.

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

Our opinion on the consolidated financial statements is not modified in respect of the above matter.

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 for the financial year ended March 31, 2023. 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.

For the matter stated below, our description of how our audit addressed the matter is provided in that context.

1. **Revenue Recognition (Refer Note 3 (c) and 29 to the Consolidated financial Statements)**

   Revenue is recognized at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods to a customer. The revenue recognition occurs at a point in time when the control of the goods is transferred to the customer.

   We focussed on this area as a key audit matter as the value is significant and also since Exports form a substantial part of the Sales of the Group, wherein there are multiple terms of Sale, an inherent risk exists of revenue being recognized before the control is transferred. As part of our audit procedures, we:

- Read the Group's accounting policy for revenue recognition and assessed compliance with the requirements of Ind AS 115.
- Evaluated the design, tested the implementation and operating effectiveness of the Holding Company's internal controls including general IT controls and key IT application controls over recognition of revenue.
- On a sample basis, tested supporting documentation for sales transactions which included sales invoices, customer contracts, and shipping documents.
- Tested revenue samples focused on sales recorded immediately before the year-end, obtained evidence as regards timing of revenue recognition, based on terms and conditions of sales contracts and delivery documents.
- Assessed disclosures in financial statements in respect of revenue, as specified in Ind AS 115.

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

The Holding Group's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Group's annual report, 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 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management for the Consolidated Financial Statements

The Holding Group's management and Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Management and Board of Directors of the companies/ entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Group, as aforesaid.

In preparing the Consolidated Financial Statements, the respective management and Board of Directors of the Group and of its subsidiaries included in the Group are responsible for assessing the ability of each group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective management and Board of Directors of the Group and of its subsidiaries included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Group has adequate internal financial controls over financial reporting in place and the operating effectiveness of such controls. As none of the subsidiaries are a Group incorporated in India under the Act, the audit of internal financial controls over financial reporting is not applicable to these subsidiaries.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the Consolidated Financial Statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entity included in the Consolidated Financial Statements, which has been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Group and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended March 2023 and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

Consolidated financial statements of the Group for the year ended March 31, 2022 have been audited by the predecessor auditor who expressed a modified opinion on the consolidated financial statements vide their report dated May 12, 2022.

Our opinion on the consolidated financial statements is not modified in respect of the above matter.

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 of the aforesaid Consolidated Financial Statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flows and the consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements, subject to our comments in the basis of qualified opinion paragraph of our report.

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under section 133 of the Act. read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company none of the directors are disqualified as on March 31,2023 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(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 managerial remuneration for the year ended March 31, 2023 paid by the group to its directors is in accordance with the provisions of section 197 read with Schedule V to 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:

i. The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group - Refer Note 41 to the Consolidated Financial Statements;

ii. 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,

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2023;

iv. The Management has represented that, to the best of its knowledge and belief:

(a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India, if any, whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the consolidated financial statements, if any, no funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Group to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the Holding Group and its subsidiaries, which are companies incorporated in India, if any, whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the consolidated financial statements, if any, no funds have been received by the Group from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

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

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company and its subsidiaries, hence reporting under this clause is not applicable.

For **Singhi & Co.,**
Chartered Accountants
Firm Registration no: 302049E

Sd/-
Sudesh Choraria
Partner
Membership no: 204936
UDIN: 23204936BGYIRU4372

Date: May 10, 2023
Place: Mumbai

Annexure – A to the Independent Auditor's Report of even date to the members of Orchid Pharma Limited on the Consolidated financial Statements as of and for the year ended March 31, 2023

(Referred to in paragraph 1 (f) of our Report on Other legal and regulatory requirements)

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

In conjunction with our audit of the Consolidated Financial Statements of **Orchid Pharma Limited** ('the Holding Company') as of and for the year ended March 31,2023, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Group's management and the Board of Directors are responsible for establishing and maintaining internal financial controls over financial reporting based on the criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting 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 Act, to the extent applicable to an audit of internal financial controls over financial reporting. 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 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 the internal controls based on the assessed risk. The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the 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 Group's internal financial control system over financial reporting.

Meaning of Internal Financial Controls over financial reporting

A group's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A group's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the group are being made only in accordance with authorisations of management and directors of the group; and (3) 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 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 controls 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, the Group has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2023, based on the internal financial controls over financial reporting criteria established by the Group considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Singhi & Co,**
Chartered Accountants
Firm Registration no: 302049E

Sd/-
Sudesh Choraria
Partner
Membership no: 204936
UDIN: 23204936BGYIRU4372

Date: May 10, 2023
Place: Mumbai

Consolidated Balance Sheet as at March 31, 2023

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

₹ in Lakhs

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	57,270.88	58,336.55
Intangible assets	4	38.57	33.73
Capital work in progress	5	4,646.34	978.42
Financial assets			
Investments	6	4,444.13	4,549.08
Other financial assets	7	687.48	476.05
Non current tax assets (net)	8	5,130.15	5,223.63
Other non current assets	9	202.11	1,693.84
Total non-current assets		**72,419.66**	**71,291.30**
Current assets			
Inventories	10	22,873.80	17,265.63
Financial assets			
Investments	11	-	-
Trade receivables	12	21,519.38	17,056.82
Cash and cash equivalents	13	2,259.71	430.66
Bank balances other than above	14	802.91	375.64
Loans	15	-	-
Other financial assets	16	15.84	0.14
Current tax assets (net)	17	95.37	31.76
Non current assets held for sale and disposal groups	18	-	1,328.97
Other current assets	19	2,533.96	3,275.33
Total current assets		**50,100.97**	**39,764.95**
Total Assets		**1,22,520.63**	**1,11,056.25**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	20	4,081.64	4,081.64
Other equity	21	64,783.26	60,656.35
Total equity		**68,864.90**	**64,737.99**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	22	14,883.76	20,816.52
Provisions	23	1,260.18	1,101.29
Deferred Tax Liability (net)	24	322.62	322.62
Total non-current liabilities		**16,466.56**	**22,240.43**

Consolidated Balance Sheet as at March 31, 2023

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

₹ in Lakhs

	Notes	As at March 31, 2023	As at March 31, 2022
Current liabilities			
Financial liabilities			
Borrowings	25	18,250.81	5,978.84
Trade payables	26		
- Outstanding Dues of Micro and Small Enterprises		158.44	340.26
- Outstanding Dues of Creditors other than Micro and Small Enterprises		18,020.06	16,428.04
Short term provisions	27	348.60	300.71
Other current liabilities	28	411.26	1,029.98
Total current liabilities		**37,189.17**	**24,077.83**
Total Liabilities		**53,655.73**	**46,318.26**
Total Equity and Liabilities		**1,22,520.63**	**1,11,056.25**
Significant Accounting Policies	**3**		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For **Singhi & Co.,**
Chartered Accountants
Firm Registration No.302049E

Sd/-
Sudesh Choraria
Partner
Membership No.204936

Place: Mumbai
Date: May 10, 2023

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

Sd/-
Manish Dhanuka
Managing Director
DIN: 00238798

Sd/-
Mridul Dhanuka
Whole Time Director
DIN: 00199441

Sd/-
Sunil Gupta
Chief Financial Officer
Place : Gurgaon
Date: May 10, 2023

Sd/-
Marina Peter
Company Secretary

Statement of Consolidated Profit and Loss for the year ended March 31, 2023

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

₹ in Lakhs

		Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Continuing Operations				
A	**Income**			
	Revenue from operations	29	66,589.84	55,955.74
	Other income	30	1,943.05	900.29
	Total income		**68,532.89**	**56,856.03**
B	**Expenses**			
	Cost of materials consumed	31	40,609.61	34,061.77
	Changes in inventories of finished goods and WIP	32	(2,147.54)	(2,705.83)
	Employee benefits expense	33	6,535.04	6,327.70
	Depreciation and amortisation expense	34	5,478.68	8,702.46
	Finance costs	35	3,222.57	3,201.17
	Other expenses	36	13,230.88	12,958.63
	Total expenses		**66,929.24**	**62,545.90**
C	**Profit / (Loss) before exceptional items and tax**		**1,603.65**	**(5,689.87)**
	Exceptional items - Income / (Expenses) (Refer Note 50)		3,921.04	-
D	**Profit / (Loss) before tax from continuing operations**		**5,524.69**	**(5,689.87)**
	Income tax expense			
	Current tax		-	-
	Deferred tax charge/ (credit)		-	-
	Profit / (Loss) after tax from continuing operations		**5,524.69**	**(5,689.87)**
Discontinuing Operations				
E	**Profit / (Loss) for the year from discontinued operations**		(677.51)	5,847.02
	Tax expense of discontinued operations		-	-
	Profit / (Loss) from discontinued operations after tax		**(677.51)**	**5,847.02**
	Profit / (Loss) for the year before share of profit of Associates		**4,847.18**	**157.15**
	Add: Share of Profit / (loss) of Associates		(215.35)	(352.27)

Statement of Consolidated Profit and Loss for the year ended March 31, 2023

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

₹ in Lakhs

		Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
F	**Profit/ (Loss) for the year**		**4,631.83**	**(195.12)**
G	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Remeasurement of post employment benefit obligations		(23.28)	146.39
	Gain/ (Loss) on fair valuation of investments		5.40	(4.09)
	Income tax (charge)/ credit relating to these items		-	-
	Other comprehensive income for the year, net of tax		**(17.88)**	**142.30**
Total comprehensive Profit / (loss) for the year			**4,613.95**	**(52.82)**
Earnings per share		39		
Earnings per equity share (For continuing operations):				
- Basic (Rs.)			13.01	(14.80)
- Diluted (Rs.)			13.01	(14.80)
Earnings per equity share (For discontinued operations) :				
- Basic (Rs.)			(1.66)	14.32
- Diluted (Rs.)			(1.66)	14.32
Earnings per equity share (For discontinued & continuing operations) :				
- Basic (Rs.)			11.35	(0.48)
- Diluted (Rs.)			11.35	(0.48)
Significant Accounting Policies		3		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For **Singhi & Co.,**
Chartered Accountants
Firm Registration No.302049E

Sd/-
Sudesh Choraria
Partner
Membership No.204936

Place: Mumbai
Date: May 10, 2023

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

Sd/-
Manish Dhanuka
Managing Director
DIN: 00238798

Sd/-
Mridul Dhanuka
Whole Time Director
DIN: 00199441

Sd/-
Sunil Gupta
Chief Financial Officer
Place : Gurgaon
Date: May 10, 2023

Sd/-
Marina Peter
Company Secretary

Statement of Consolidated Cash Flows for the year ended March 31, 2023

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

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash Flow From Operating Activities		
Profit/ loss before income tax	4,631.83	(195.12)
Adjustments for		
Depreciation and amortisation expense	5,478.68	8,702.46
(Profit)/ loss on sale of fixed assets (Net) (including Exceptional item)	(3,998.50)	(0.04)
Profit on sale of Non current assets held for sale included in discontinuing operations	-	(8,866.86)
Interest income	(61.80)	(41.88)
Unrealised forex (gain)/ loss	164.44	14.00
Allowance for expected credit loss	118.83	366.73
Finance costs	3,222.57	3,201.17
Share of loss from associates under equity method	215.35	352.27
(Profit) / loss on sale of investments	(1.54)	(51.24)
	9,769.86	**3,481.49**
Change in operating assets and liabilities		
(Increase)/ decrease in Other financial assets	(211.43)	1,169.34
(Increase)/ decrease in inventories	(5,608.17)	253.69
(Increase)/ decrease in trade receivables	(4,165.35)	(2,291.94)
(Increase)/ decrease in Other assets	1,268.27	1,438.18
Increase/ (decrease) in provisions and other liabilities	(580.94)	651.03
Increase/ (decrease) in trade payables	1,391.41	4,736.27
Cash generated from operations	**1,863.65**	**9,438.06**
Add : Income taxes received (net of payments)	(29.85)	(190.60)
Net cash from operating activities (A)	**1,833.80**	**9,247.46**
Cash Flows From Investing Activities		
Purchase of Property, plant and equipment (including changes in CWIP)	(8,491.31)	(1,440.35)
Sale proceeds of Property, plant and equipment	93.55	9.89
Net Sale proceeds of Land & Buildings	5,761.00	15,940.81
(Purchase)/ disposal proceeds of Investments	(103.46)	1,238.32
Investment in equity share of associate companies	-	(4,550.00)
(Investments in)/ Maturity of fixed deposits with banks	(427.27)	46.14
Interest received	46.10	48.81
Net cash used in investing activities (B)	**(3,121.39)**	**11,293.62**

Statement of Consolidated Cash Flows for the year ended March 31, 2023

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

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash Flows From Financing Activities		
Proceeds from Borrowings	17,319.84	1,999.88
Repayment of Borrowings (net)	(10,980.63)	(20,478.52)
Finance costs	(3,222.57)	(3,201.17)
Net cash from/ (used in) financing activities (C)	**3,116.64**	**(21,679.81)**
Net increase/decrease in cash and cash equivalents (A+B+C)	**1,829.05**	**(1,138.73)**
Cash and cash equivalents at the beginning of the financial year	430.66	1,569.39
Cash and cash equivalents at end of the year	**2,259.71**	**430.66**
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	2,259.05	427.20
- in fixed deposit with original maturity of less than 3 months	-	-
Cash on hand	0.66	3.46
	2,259.71	**430.66**

3. Reconciliation of Liabilities arising from financing activiities

Particulars	Outstanding as at 1st April, 2022	Cash Flows	Non-Cash Changes	Outstanding as at 31st March, 2023
Long Term Borrowings	24511.22	(6,628.91)	1157.21	19039.52
Short Term Borrowings	2284.14	11,810.91		14095.05
Total Liabilities from financing activities	26795.36	5,182.00	1157.21	33134.57

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For **Singhi & Co.,**
Chartered Accountants
Firm Registration No.302049E

Sd/-
Sudesh Choraria
Partner
Membership No.204936

Place: Mumbai
Date: May 10, 2023

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

Sd/-
Manish Dhanuka
Managing Director
DIN: 00238798

Sd/-
Mridul Dhanuka
Whole Time Director
DIN: 00199441

Sd/-
Sunil Gupta
Chief Financial Officer
Place : Gurgaon
Date: May 10, 2023

Sd/-
Marina Peter
Company Secretary

Statement of Consolidated Changes in Equity for the year ended March 31, 2023

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

(A) Equity Share Capital

Balance at the end of March 31, 2021	**4081.64**
Change in equity share capital due to prior period errors	-
Balance at the end of March 31, 2022	**4,081.64**
Change in equity share capital due to prior period errors	-
Change in equity share capital during the period	-
Balance at the end of March 31, 2023	**4,081.64**

(B) Other Equity (attributable to the owners of Orchid Pharma Limited)

₹ in Lakhs

Particulars	Capital Reserve	Capital Reserve on Amalgamat-ion	Securities Premium Reserve	Equity component of Optionally convertible debentures	General Reserve	Foreign Currency Fluctuation Reserve	Other Compreh-ensive Income	Profit and Loss Account	Total
Balance as at March 31, 2021	**5,105.69**	**1,63,125.58**	**46,447.86**	**6,856.06**	**55,851.90**	**15,211.52**	**(5.60)**	**(2,31,383.87)**	**61,209.14**
Income/(loss) for the year	-	-	-	-	-	-	142.30	(195.12)	(52.82)
Changes due to prior period errors	-	-	-	-	-	-	-	-	-
Restated Balance as at April1, 2021	**5,105.69**	**1,63,125.58**	**46,447.86**	**6,856.06**	**55,851.90**	**15,211.52**	**136.70**	**(2,31,578.99)**	**61,156.32**
Additions/(deductions) during the year	-	-	-	-	-	(499.97)	(146.39)	146.39	(499.97)
Balance as at March 31, 2022	**5,105.69**	**1,63,125.58**	**46,447.86**	**6,856.06**	**55,851.90**	**14,711.55**	**(9.69)**	**(2,31,432.60)**	**60,656.35**
Income/(loss) for the year							**(17.88)**	**4,631.83**	**4,613.95**
Changes due to prior period errors	-	-	-	-	-	-	-	-	-
Restated Balance as at April1, 2022	**5,105.69**	**1,63,125.58**	**46,447.86**	**6,856.06**	**55,851.90**	**14,711.55**	**(27.57)**	**(2,26,800.77)**	**65,270.30**
Additions/(deductions) during the year						**(487.04)**	**23.28**	**(23.28)**	**(487.04)**
Balance as at March 31, 2023	**5,105.69**	**1,63,125.58**	**46,447.86**	**6,856.06**	**55,851.90**	**14,224.51**	**(4.29)**	**(2,26,824.05)**	**64,783.26**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For **Singhi & Co.,**
Chartered Accountants
Firm Registration No.302049E

Sd/-
Sudesh Choraria
Partner
Membership No.204936

Place: Mumbai
Date: May 10, 2023

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

Sd/-
Manish Dhanuka
Managing Director
DIN: 00238798

Sd/-
Mridul Dhanuka
Whole Time Director
DIN: 00199441

Sd/-
Sunil Gupta
Chief Financial Officer
Place : Gurgaon
Date: May 10, 2023

Sd/-
Marina Peter
Company Secretary

Notes to Consolidated Financial Statements for the year ended March 31, 2023

1 Corporate Information

The Consolidated Financial Statements comprise financial statements of "Orchid Pharma Limited" ("the Holding Company") and its subsidiaries and associate (collectively referred to as "the Group") for the year ended March 31, 2023.

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

According to the Resolution Plan approved by the Hon'ble National Company Law Tribunal (NCLT) has, by its order dated June 27, 2019 and the order of the Hon'ble Supreme Court vide its order dated February 28, 2020, Dhanuka Laboratories Limited (DLL), the successful Resolution Applicant, implemented the resolution plan on March 31, 2020.

DLL infused the funds as per the terms of the resolution plan through a special purpose vehicle, Dhanuka Pharmaceuticals Private Limited. The special purpose vehicle was later on merged with the Company as per the terms of the approved resolution plan. Thus the holding company became a subsidiary of M/s Dhanuka Laboratories Limited with effect from March 31, 2020.

The Group has invested in the following subsidiary companies :

a) Orchid Europe Limited, a company formed in the United Kingdom initially to market nutraceuticals through mail order/ direct marketing in the United Kingdom and Europe. This subsidiary company has been wound up during this financial year.

b) Bexel Pharmaceuticals Inc., USA engaged in Pharmaceutical research and development.

c) Orchid Pharmaceuticals Inc., USA to provide services in USA. It has a wholly owned subsidiaries "Orgenus Pharma Inc, USA" which provides services in USA and "Orchid Pharma Inc./Karalex Pharma, USA" which sells pharmaceutical products in USA.

d) Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa to register and market formulations in South Africa.

e) Diakron Pharmaceuticals Inc., USA engaged in Pharmaceutical research and development.

f) Orchid Bio- Pharma Limited , Inda for manufacture of the KSM as a backward integration to the Holding company's activities.

During the previous year, the Group had also invested in M/s Orbion Pharmaceuticals Private Limited, an associate Company of the Group.

2 Basis of preparation of financial statements

Statement of compliance

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

Basis of preparation and presentation

The Consolidated Financial Statements comprises of Orchid Pharma Limited and all its subsidiaries, being the entities that it controls. Control is assessed in accordance with the requirement of Ind AS 110 - Consolidated Financial Statements. The investment in associate is consolidated using equity methods as per Ind AS 28

Principles of Consolidation

a) The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.

c) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve (FCTR).

d) Goodwill represents the difference between the Group's share in the net worth of subsidiaries and the cost of acquisition at each point of time of making the investment in the subsidiaries.

e) The unaudited financial statements of foreign subsidiaries have been prepared by the management in accordance with the generally accepted accounting principles of its country of incorporation and restated to Ind AS for consolidation purposes.

f) The differences in accounting policies of the Holding Company and its subsidiaries/ associates are not material and there are no material transactions from January 1, 2023 to March 31, 2023 in respect of subsidiaries/ having financial year ended December 31, 2022.

g) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

h) The carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary.

I) In respect of investments in associate company, the Group has applied equity method for consolidation of its interest in the associate.

Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Group's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals).

The financial statements are approved for issue by the Holding Company's Board of Directors on May 10, 2023.

2A Critical accounting estimates and management judgments

In application of the accounting policies, which are described in note 3, the management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Property, Plant and Equipment (PPE) and Intangible Assets

The residual values and estimated useful life of PPEs and Intangible Assets are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred Tax Assets

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

Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment of Trade Receivables

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

Impairment of Non-financial assets (PPE/ Intangible Assets)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined Benefit Plans and Other long term employee benefits

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

Notes to Consolidated Financial Statements for the year ended March 31, 2023

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

New amendments issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments related to shifting of disclosure of accounting policies from "significant accounting policies" to "material accounting policies" in the notes to the financial statements requiring companies to reframe their accounting policies to make them more "entity specific. This amendment aligns with the "material" concept already required under International Financial Reporting Standards(IFRS). The Company does not expect this amendment to have any significant impact in its Consolidated Financial Statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a "change in accounting estimates" has been replaced with a definition of "accounting estimates."

Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty." Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its Consolidated Financial Statements.

Ind AS 12 – Income Taxes

The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12. At the date of transition to Ind ASs, a first-time adopter shall recognize a deferred tax asset to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. Similarly, a deferred tax liability is recognized for all deductible and taxable temporary differences associated with

A) Right -of-use assets and lease liabilities

B) Decommissioning, restoration and similar liabilities and the corresponding amounts are recognised as part of the cost of the related asset.

Therefore, if the Group has not yet recognised deferred tax on right-of-use assets and lease liabilities or has recognised deferred tax on net basis, the same need to recognize on gross basis based on the carrying amount of right-of- use assets and lease liabilities

The Group has evaluated the above amendments and concluded that they will have no significant impact on the Group on a go forward basis.

3 Significant Accounting Policies

a) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

I) Expected to be realised or intended to be sold or consumed in normal operating cycle

ii) Held primarily for the purpose of trading

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

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

All other assets are classified as non-current.

A liability is current when:

I) It is expected to be settled in normal operating cycle

ii) It is held primarily for the purpose of trading

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

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

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified 12 months as its operating cycle for the purpose of classification of its assets and liabilities as current and non-current.

b) Fair value measurement

The Group has applied the fair value measurement wherever necessitated at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

I) In the principal market for the asset or liability;

ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non - financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

Level 1: Quoted (unadjusted) market prices in active market for identical assets or liabilities;

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

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

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

The Group has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Group's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

c) Revenue Recognition

Sale of goods

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

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. It comprises of invoice value of goods including excise duty and after deducting discounts, volume rebates and applicable taxes on sale. It also excludes value of self-consumption.

Significant financing component

Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised goods or services to the customer and when the customer pays for that goods or services will be one year or less.

Export entitlements

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

Interest Income

Interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend income

Dividend income is recognized when the Group's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

d) Property, plant and equipment and capital work in progress

Presentation

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under long term loans and advances and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

Component Cost

All material/ significant components have been identified and have been accounted separately. The useful life of such component are analysed independently and wherever components are having different useful life other than plant they are part of, useful life of components are considered for calculation of depreciation.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Machinery spares/ insurance spares that can be issued only in connection with an item of fixed assets and their issue is expected to be irregular are capitalised. Replacement of such spares is charged to revenue. Other spares are charged as revenue expenditure as and when consumed.

Derecognition

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

e) Depreciation on property, plant and equipment

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value.

Depreciation is provided on straight line method, over the useful lives specified in Schedule II to the Companies Act, 2013, except in respect of certain assets, where useful life estimated based on internal assessment and/or independent technical evaluation carried out by external valuer, past trends and differs from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/ sold. Additions to fixed assets, costing Rs.5000 each or less are fully depreciated retaining its residual value.

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

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of a separately acquired intangible asset comprises (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and (b) any directly attributable cost of preparing the asset for its intended use.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Drug Master Files ("DMF") and Abbreviated New Drug Applications ("ANDA") costs represent expenses incurred on development of processes and compliance with regulatory procedures of the US FDA, in filing DMF and ANDA, in respect of products for which commercial value has been established by virtue of third party agreements/ arrangements.

Useful life and amortisation of intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The cost of each DMF/ ANDA (self generated intangible assets) is amortised to the extent of recovery of developmental costs applicable as per terms of the agreement or over a period of 5 years from the date on which the product covered by DMF/ ANDA is commercially marketed, whichever is earlier.

Subsequent cost and measurement

Subsequent costs are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally-generated intangibles, are recognised in the statement of profit and loss as incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

g) Inventories

Inventories are carried at the lower of cost or net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition, cost being determined based on weighted average method.

In respect of work-in-progress, intermediaries and finished goods, cost also includes the variable and fixed overhead incurred for bringing the inventory to present location and conditions.

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

h) Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are also added to the cost of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

Financial assets are classified into the following categories:

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

Debt instruments at amortised cost

The Group classifies a debt instrument as at amortised cost, if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

The Group classifies a debt instrument at FVTOCI, if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes finance income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

The Group classifies all debt instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Group makes an irrevocable election of classifying the equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in OCI, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents SPPI, are measured as detailed below depending on the business model:

Classification	Name of the financial asset
Amortised cost	Trade receivables, Loans given to employees and others, deposits, interest receivable and other advances recoverable in cash.
FVTOCI	Equity investments in companies other than subsidiaries and associates if an option exercised at the time of initial recognition.
FVTPL	Other investments in equity instruments

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

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

b) Financial assets that are debt instruments and are measured at FVTOCI)

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 "Revenue from contract with Customers".

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116 "Leases"

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Group considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation of ECL for various financial instruments is described below:

- **Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:**

  ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

- **Debt instruments measured at FVTOCI:**

  Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done on the following basis:

Name of the financial asset	Impairment Testing Methodology
Trade Receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Financial liabilities

Initial recognition and measurement

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Classification	Name of the financial liability
Amortised cost	Borrowings, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits and other financial liabilities not for trading.
FVTPL	Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at higher of (i) The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 "Financial Instruments" and (ii) The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115 "Revenue from contract with Customers".

Derecognition of financial liabilities

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

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

S.No	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
2	FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
3	Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
4	FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
5	FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
6	FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

I) Foreign currency transactions and translations

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rates at the date at which the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The Group enters into forward exchange contract to hedge its risk associated with foreign currency fluctuations. The premium or discount arising at the inception of a forward exchange contract is amortized as expense or income over the life of the contract. In case of monetary items which are covered by forward exchange contract, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference. Any profit or loss arising on cancellation of a forward exchange contract is recognized as income or expense for that year.

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the Consolidated Statement of Profit and Loss. However when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

j) Borrowing Costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Group determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Group which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Group capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

k) Government grants

Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.

In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other operating revenue" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets". Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets".

Government grants related to assets, including non-monetary grants at fair value, shall be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset.

l) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Group will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Group during the specified period. The Group reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Group will pay normal Income tax during the specified period.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

m) Retirement and other employee benefits

Short-term employee benefits

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Compensated absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Other long term employee benefits

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

n) Leases

The Group has 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. All other Leases are recognized as follows :

a) Initial measurement

Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid. Right-of-use asset is recognized and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of restoration costs and any initial direct costs incurred by the lessee.

b) Subsequent measurement

The lease liability is measured in subsequent periods using the effective interest rate method. Right-of-use asset is depreciated in accordance with requirements in Ind AS 16, Property, Plant and equipment. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. However, Ind AS 116 provides the lessee with the option to recognise a low value asset or a short term lease (12 months of lesser) as an expense in the statement of profit and loss on a straight-line basis or any other systematic approach as adopted by the entity.

o) Impairment of non financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

p) Provisions, contingent liabilities and contingent asset
Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made, if realisation of money is doubtful in the judgement of the management.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

Contingent assets

Where an inflow of economic benefits is probable, the Group discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

Contingent assets are disclosed but not recognised in the financial statements.

q) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

r) Cash Flow Statement

Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

s) Non current assets held for sale and disposal groups

The Group classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Immediately before the initial classification of the asset (or disposal group) as held for sale, the carrying amounts of the asset (or all the assets and liabilities in the group) shall be measured in accordance with applicable Ind Ass.

The Group measures a non-current asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less costs to sell. The Group does not depreciate (or amortise) a non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale shall continue to be recognised.

t) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

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

4. Property, plant and equipment

Particulars	Tangible Assets												
	Freehold Land & Site Development	Leasehold Land	Buildings	Plant and Machinery	Furniture and Fittings	Vehicles	Office Equipment	Factory Equipment	Laboratory Equipment	Total	Internally generated DMF and ANDA	Computer Software	Total
Cost as at March 31, 2021	**1,228.12**	**0.61**	**14,393.77**	**99,048.40**	**227.28**	**9.98**	**3.48**	**326.78**	**1,305.07**	**1,16,543.49**	**1,012.91**	**54.06**	**1,066.97**
Additions	-	-	-	38.05	-	-	-	-	-	38.05	-	-	-
Disposals	-	-	-	(9.85)	-	-	-	-	-	(9.85)	-	-	-
Cost as at March 31, 2022	**1,228.12**	**0.61**	**14,393.77**	**99,076.60**	**227.28**	**9.98**	**3.48**	**326.78**	**1,305.07**	**1,16,571.69**	**1,012.91**	**54.06**	**1,066.97**
Additions	1,373.45	-	3,432.00	46.16	1.81	-	2.26	-	-	4,855.68	14.21	-	14.21
Disposals	(417.44)	-	-	(13.75)	(16.09)	-	-	-	-	(447.28)	(4.78)	-	(4.78)
Cost as at March 31, 2023	**2,184.13**	**0.61**	**17,825.77**	**99,109.01**	**213.00**	**9.98**	**5.74**	**326.78**	**1,305.07**	**1,20,980.09**	**1,022.34**	**54.06**	**1,076.40**
Depreciation/Amortisation													
As at March 31, 2021	**-**	**0.61**	**3,126.84**	**45,113.56**	**166.81**	**3.69**	**3.48**	**127.20**	**993.62**	**49,535.81**	**1,012.91**	**17.20**	**1,030.11**
Charge for the year	-	-	711.36	7,939.00	3.01	-	-	18.14	27.82	8,699.33	-	3.13	3.13
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	**-**	**0.61**	**3,838.20**	**53,052.56**	**169.82**	**3.69**	**3.48**	**145.34**	**1,021.44**	**58,235.14**	**1,012.91**	**20.33**	**1,033.24**
Charge for the year	-	-	788.90	4,663.58	0.50	-	0.55	15.54	5.00	5,474.07	1.46	3.13	4.59
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2023	**-**	**0.61**	**4,627.10**	**57,716.14**	**170.32**	**3.69**	**4.03**	**160.88**	**1,026.44**	**63,709.21**	**1,014.37**	**23.46**	**1,037.83**
Net Block													
As at March 31, 2022	1,228.12	-	10,555.57	46,024.04	57.46	6.29	-	181.44	283.63	**58,336.55**	-	33.73	**33.73**
As at March 31, 2023	2,184.13	-	13,198.67	41,392.87	42.68	6.29	1.71	165.90	278.63	**57,270.88**	7.97	30.60	**38.57**

Notes :

1 The title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the respective companies in the group as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as property, plant and equipments in the financial statements, the lease agreements are in the name of the respective companies in the group. In respect of assets given as collateral for loans taken from banks, the title deeds are in the custody of the respective banks.

2 The Group has not revalued its property, plant and equipment (including right-of-use asset) during the year, since the Group has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.

3 The Group has not revalued its intangible asset, since the Group has adopted cost model as its accounting policy to an entire class of Intangible Asset in accordance with Ind AS 38.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

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

₹ in Lakhs

	Particulars	As at March 31, 2023	As at March 31, 2022
5	**Capital Work-in-progress**		
	Property, plant and equipment under development	4,646.34	978.42
		4,646.34	**978.42**
	Refer Note 48 (a) for aging schedule of Capital work in progress		
	Refer Note 48 (b) for information relating to estimated completion schedule of Capital work in progress.		
6	**Non-current investments**		
	Non Trade		
	Investments in companies other than subsidiaries, associates and joint ventures at FVTOCI		
	i. Investments in Equity Instruments (Quoted)		
	18,600 equity shares (PY : 18,600 no.s) of Rs.10 each in Bank of India Limited, fully paid up	13.93	8.53
	ii. Investments in Equity Instruments (Unquoted)		
	6,00,000 equity shares (PY: 6,00,000 no.s) of Rs. 10 each in Sai Regency Power Corporation Private Limited, fully paid up	60.00	60.00
	42,00,000 equity shares (PY: 31,50,000) of Rs.10 each Investment in Nellai Renewables Private Limited, fully paid up	420.00	315.00
	1,19,568 (PY: 1,19,568) equity shares of Rs.10 each in MSE Financial Services Limited, fully paid up *	23.99	23.99
	8,823 (PY : 8,823) equity shares of Rs.1/- each allotted in Madras Enterprises Private Limited *	3.83	3.83
	Investments in Equity Instruments of Associate (Unquoted) at cost		
	4,55,00,000 equity shares (PY: 4,55,00,000 nos.) of Rs.10 /- each in		
	Orbion Pharmaceuticals private limited	3,982.38	4,197.73
		4,504.13	4,609.08
	Less: Provision for diminution in value of investments	(60.00)	(60.00)
	Total non-current investments	**4,444.13**	**4,549.08**
	Aggregate value of quoted investments	13.93	8.53
	Aggregate market value of quoted investments	13.93	8.53
	Aggregate value of unquoted investments	4,490.20	4,600.55
	Aggregate amount of impairment in value of investments	60.00	60.00
	* 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.		
7	**Other non-current financial assets**		
	(Unsecured, considered good)		
	Security deposits for electricity and power	620.05	460.69
	Fixed deposits with banks (maturing after 12 month from the reporting date)	-	0.74
	Other Deposits	67.43	14.62
	(Unsecured, considered doubtful)		
	Others	202.66	202.66
	Less : Provision for expected credit loss	(202.66)	(202.66)
		687.48	**476.05**
	Note : The Group has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The loans given to certain parties during the pre-CIRP period have been fully provided for.		

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

₹ in Lakhs

Particulars		As at March 31, 2023	As at March 31, 2022
8	**Non Current tax assets(Net)**		
	Advance income tax (net of provision for tax)	5130.15	5,223.63
		5,130.15	**5,223.63**
9	**Other non-current assets**		
	(Unsecured, considered good)		
	Capital Advances	202.11	1,166.94
	Advances to suppliers	-	526.90
	(Unsecured, considered doubtful)		
	Advances to suppliers	15,333.30	15,333.30
		15,535.41	17,027.14
	Less: Provision for expected credit loss	(15,333.30)	(15,333.30)
		202.11	**1,693.84**
	Note : The Group has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The loans given to certain parties during the pre-CIRP period have been fully provided for.		

Particulars		As at March 31, 2023	As at March 31, 2022
10	**Inventories**		
	Raw Materials	7,588.65	4,283.13
	Intermediates & Work-in-progress	7,745.00	6,907.63
	Finished Goods	6,794.66	5,484.49
	Stores and Spare parts	133.88	152.44
	Chemicals and Consumables	212.54	201.52
	Packing Materials	399.07	236.42
		22,873.80	**17,265.63**
	Note: The Group has physically verified the inventories at reasonable intervals and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed during such verification.		
11	**Current Investments**		
	Fair valued through profit and loss		
	Investment in Mutual Funds	-	-
		-	**-**
12	**Trade receivables**		
	Trade Receivables considered good - Secured	-	-
	Trade Receivables considered good - Unsecured	21,519.38	17,056.82
	Trade Receivables which have significant risk increase in credit risk	-	-
	Trade Receivables credit impaired	4,374.42	4,255.59
		25,893.80	21,312.41
	Less: Allowance for expected credit loss	(4,374.42)	(4,255.59)
		21,519.38	**17,056.82**
	Note: Trade receivables are neither due from directors or other officers of the Group either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member, except to the extent disclosed in Note 46 relating to amounts receivable from related parties.		
	Refer Note 45 for information about risk profile of Trade Receivables under Financial Risk Management.		
	Refer Note 48 (c) for the ageing schedule of Trade Receivables.		
13	**Cash and cash equivalents**		
	Cash on hand	0.66	3.46
	Balances with banks		
	In current accounts	2,259.05	427.20
	In fixed deposits (having original maturity of less than 3 months)	-	-
		2,259.71	**430.66**

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

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

₹ in Lakhs

Particulars		As at March 31, 2023	As at March 31, 2022
14	**Other Bank Balances**		
	In Fixed Deposits with banks (maturing within 12 months from the reporting date)	401.46	0.59
	In earmarked accounts		
	Escrow Accounts	310.55	323.60
	Fractional Shares Payable Bank Account	90.90	51.45
		802.91	**375.64**
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)
		-	**-**
	Note : The Group has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The loans given to other related parties during the pre-CIRP period have been fully provided for.		

Particulars		As at March 31, 2023	As at March 31, 2022
16	**Other current financial assets**		
	(Unsecured, considered good)		
	Interest accrued on deposits	15.84	0.14
		15.84	**0.14**
17	**Current tax assets**		
	Advance income tax (net of provision for tax)	95.37	31.76
		95.37	**31.76**
18	**Non current assets held for sale**		
	Other buildings	-	1,328.97
		-	**1,328.97**
19	**Other current assets**		
	(Unsecured, considered good)		
	Advance recoverable in cash or in kind		
	Advance to suppliers	935.18	305.93
	Prepaid expenses	379.10	711.76
	MEIS license scrips entitlement	-	588.70
	Balances with Statutory Authorities	1,217.07	1,645.15
	Other deposits	2.61	12.82
	Employees Advances	-	10.97
		2,533.96	3,275.33
	(Unsecured, considered doubtful)		
	Advances to Suppliers	29.05	29.75
	Less : Allowance for expected credit loss	(29.05)	(29.75)
		2,533.96	**3,275.33**
	Note : The Group has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The advances given to certain suppliers during the pre-CIRP period have been fully provided for.		

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

₹ in Lakhs

Particulars		As at March 31, 2023	As at March 31, 2022
20	**Capital**		
	Authorised Share Capital		
	15,00,10,000 (Previous year 15,00,10,000) Equity shares of Rs. 10 each*	15,010.00	15,010.00
		15,010.00	**15,010.00**
	* The authorised share capital of the Company has increased by 10,000 shares of Rs.10 each pursuant to a scheme of amalgamation. However, the same is yet to be updated in the records of the registrar of companies. The Company is closely following it up for regularisation.		
	Issued Share Capital		
	4,08,16,400 (Previous year 4,08,16,400) Equity shares of Rs. 10 each	4,081.64	4,081.64
		4,081.64	**4,081.64**
	Subscribed and fully paid up share capital		
	4,08,16,400 (Previous year 4,08,16,400) Equity shares of Rs. 10 each	4,081.64	4,081.64
		4,081.64	**4,081.64**
Notes:			
(a)	**Reconciliation of number of equity shares subscribed**		
	Balance at the beginning and end of the period (Nos.)	**4,08,16,400**	**4,08,16,400**

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

Name of the share holders	March 31, 2023		March 31, 2022	
	No of shares	%	No of shares	%
Dhanuka Laboratories Limited *	3,67,19,957	89.96	3,67,19,957	89.96

* As per Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the Holding Company is required to comply with the Minimum Public Shareholding ("MPS") requirements of 25% specified in rules 19(2) and 19A of the Securities Contracts (Regulation) Rules, 1957 on or before March 30, 2023. In order to comply with the above MPS requirement, the Holding Company has obtained shareholders' approval for raising funds through the Qualified Institutional Placement ("QIP") route for an aggregate amount of upto Rs.500 Crore at its Extra Ordinary General Meeting held on December 29, 2022 and have also appointed the requisite authorised agencies for going ahead with the QIP, who have been actively working towards completing the process.

However due to weak market sentiments the Holding Company, despite its best efforts, could not fulfil the above MPS requirement before the said deadline and the Company has submitted an application to SEBI seeking relaxation for a period of one year from March 30, 2023 to comply with the minimum public shareholding requirement under SEBI SCRR Rules and Listing Regulations.

(c) Shares held by promoters at the end of the year

Name of the share holders	March 31, 2023		March 31, 2022		% of change
	No of shares	% age	No of shares	% age	
Dhanuka Laboratories Limited *	3,67,19,957	89.96	3,67,19,957	89.96	0.00

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

The Group has only one class of equity shares having a par value of Rs.10 each. The equity shares of the Group having par value of Rs.10/- rank pari-passu in all respects including voting rights and entitlement to dividend. The dividend proposed if any, by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year, the Group has not proposed any dividend.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

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

₹ in Lakhs

	Particulars	As at March 31, 2023	As at March 31, 2022
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 Fluctuation Reserve	14,224.51	14,711.55
	Other Comprehensive Income	(4.29)	(9.69)
	Retained Earnings	(2,26,824.05)	(2,31,432.60)
		64,783.26	**60,656.35**
	a) Capital reserve		
	Balance at the beginning and end of the year	**5,105.69**	**5,105.69**
	Capital reserve was created in the earlier years in respect of business acquired by the Group. The Group can use this reserve for issuing fully paid up Bonus shares.		
	b) Capital Reserve on Amalgamation		
	Balance at the beginning and end of the year	**1,63,125.58**	**1,63,125.58**
	Capital reserve on Amalgamation was created in the earlier years as per approved resolution plan on the amalgamation of the special purpose vehicle with the Group. The Group can use this reserve for issuing fully paid up Bonus shares.		
	c) Securities Premium Reserve		
	Balance at the beginning and end of the year	**46,447.86**	**46,447.86**
	Securities Premium was credited when shares are issued at a premium. The Group can use this reserve to issue bonus shares, to provide for premium on redemption of shares or debentures, preliminary expenses and the commission paid or discount allowed on, any issue of shares or debentures of the Group		
	d) Equity component of Optionally convertible debentures		
	Balance at the beginning and end of the year	**6,856.06**	**6,856.06**
	This represents the equity component accounted as per split accounting prescribed for compound financial instruments under Ind AS 109 "Financial Instruments". This will be available as free reserves once the Group completed the conversion of the debentures into equity.		
	e) General Reserve		
	Balance at the beginning and end of the year	**55,851.90**	**55,851.90**
	General Reserve represents the statutory reserve in accordance with Companies Act, 2013 wherein a portion of profit is apportioned to general reserve. This is a free reserve and the Group can use it for declaration of dividends, subject to the conditions prescribed by the Companies Act, 2013.		
	f) Foreign Currency Fluctuation Reserve		
	Balance at the beginning of the year	14,711.55	15,211.52
	Additions/ (deductions) during the year	(487.04)	(499.97)
	Balance at the end of the year	**14,224.51**	**14,711.55**
	Foreign Currency Fluctuation Reserve represents the cumulative impact of translating the financial statements of foreign subsidiaries. The same will be reclassified to the profit and loss account on disposal of investments in those subsidiaries in accordance with Ind AS 21.		

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

₹ in Lakhs

	Particulars	As at March 31, 2023	As at March 31, 2022
	g) Other Comprehensive Income		
	Balance at the beginning of the year	(9.69)	(5.60)
	Additions during the year	(17.88)	142.30
	Deductions/Adjustments during the year	23.28	(146.39)
	Balance at the end of the year	**(4.29)**	**(9.69)**
	Other comprehensive income represents the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The Group has opted to recognise the changes in the fair value of certain investments in equity instruments and remeasurement of defined benefit obligations in OCI. The Group transfers amounts from this reserve to Retained Earnings in case of actuarial loss / gain and in case of fair value recognition of equity instrument, the same will be transferred when the respective equity instruments are derecognised.		
	h) Retained Earnings		
	Balance at the beginning of the year	(2,31,432.60)	(2,31,383.87)
	Net Profit /(loss) for the year	4,631.83	(195.12)
	Transfer from Other Comprehensive Income	(23.28)	146.39
	Balance at the end of the year	**(2,26,824.05)**	**(2,31,432.60)**
	Retained Earnings represent the undistributed profits/ accumulated losses of the Group remaining after transfer to other Reserves.		
22	**Long Term Borrowings**		
	Secured *		
	From Banks		
	Rupee Term Loans	3,205.16	-
	Foreign Currency term Loans	4,959.26	14,778.80
	Unsecured		
	0% Optionally Convertible Debentures	10,875.10	9,732.42
		19,039.52	24,511.22
	Less: Current maturities of long term borrowings (refer note 25)	(4,155.76)	(3,694.70)
		14,883.76	**20,816.52**
	Note :		
	* Refer Note 44 for repayment terms and security details		
	The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date. Registration, Modification and Satisfaction of charges relating to the year under review, had been filed with the ROC, within the prescribed time or within the extended time requiring the payment of additional fees The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date. Refer Note No. 45 for information about risk profile of borrowings under Financial Risk Management.		
23	**Provisions (Non-current)**		
	Provision for Employee Benefits		
	Gratuity	1,011.32	868.56
	Compensated absences	248.86	232.73
		1,260.18	**1,101.29**

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

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

₹ in Lakhs

	Particulars	As at March 31, 2023	As at March 31, 2022
24	**Deferred Tax Asset / (Liability) - Net**		
	Deferred Tax Liability		
	On Property, plant and equipment	8,610.56	8,283.47
	On Others	322.62	322.62
		8,933.18	8,606.09
	Deferred Tax Asset		
	On unabsorbed tax depreciation	8,610.56	8,283.47
		8,610.56	8,283.47
	Net deferred tax asset / (liability)	**(322.62)**	**(322.62)**
	Note: In view of carry forward tax losses, the recognition of deferred tax asset has been scaled down to the extent of deferred tax liability		
25	**Current liabilities - Borrowings**		
	Secured		
	Cash Credit Facility / Working Capital Demand Loans and Buyers Credit	14,095.05	2,284.14
	Current maturities of long term borrowings (refer note 22)	4,155.76	3,694.70
		18,250.81	**5,978.84**

* Refer Note 44 for repayment terms and security details

Note: Short term Borrowings (other than Current maturities of Long term borrowings) are secured by way of first pari passu the cation charge on trade receivables and inventories of the Group, present and future. The quarterly returns or statements filed by the Group with the banks or financial institutions are in agreement with the books of accounts, except in the following cases

Quarter ended	As per financials	As per returns filed with banks	Difference	Reason
June 30, 2022	23676.26	22,702.90	973.36	The difference is mainly due to estimated over head rate considered while valuing WIP and FG given to the bank and the actual over head rate finalised on completion of limited review of the quarterly results. Also the bank stock statement does not include R&D Stock (INR 282.37 lacs)
September 30, 2022	23,601.95	23,386.97	214.98	The difference is mainly due to estimated over head rate considered while valuing WIP and FG given to the bank and the actual over head rate finalised on completion of limited review of the quarterly results. Also the bank stock statement does not include R&D Stock (INR 278.55 lacs)
December 31, 2022	23,337.45	21,376.13	1,961.32	The difference is mainly due to estimated over head rate considered while valuing WIP and FG given to the bank and the actual over head rate finalised on completion of limited review of the quarterly results. Also the bank stock statement does not include R&D Stock (INR 256.33 lacs)
March 31, 2023	22,873.80	24,059.23	(1,185.43)	The difference is mainly due to estimated over head rate considered while valuing WIP and FG given to the bank and the actual over head rate finalised on completion of the audit of the financial statements. The bank stock statement does not include R&D Stock (253.38 lacs) and Provision for non moving stock created in Q4 - INR 54 lakhs.

The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.

Refer Note No. 45 for information about risk profile of borrowings under Financial Risk Management.

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

₹ in Lakhs

	Particulars	As at March 31, 2023	As at March 31, 2022
26	**Trade payables**		
	Dues to Micro enterprises and Small enterprises	158.44	340.26
	Dues to Creditors other than Micro and Small enterprises	18,020.06	16,428.04
		18,178.50	**16,768.30**
	* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises.		
	Refer Note 45 for information about risk profile of trade payables under Financial Risk Management.		
	Refer Note 48 (d) for information about aging of Trade Payables		
27	**Provisions (Current)**		
	Provision for employee benefits		
	Gratuity	299.41	255.46
	Leave encashment	49.19	45.25
		348.60	**300.71**
28	**Other current liabilities**		
	Statutory Liabilities	148.36	98.39
	Fractional Share amount payable to shareholders	90.91	51.45
	Employee payables	4.40	1.19
	Advance and deposits from customers etc.,	167.59	878.95
		411.26	**1,029.98**

	Particulars	As at March 31, 2023	As at March 31, 2022
29	**Revenue from operations**		
	Sale of Products	65,561.06	55,607.27
	Sale of Services	104.52	77.28
	Other Operating Revenues		
	Sale of Other Materials	924.26	271.19
		66,589.84	**55,955.74**
30	**Other income**		
	Interest income on deposits etc	61.80	41.88
	Profit on sale of property, plant and equipment	93.55	0.04
	Foreign exchange gain (net)	520.14	758.18
	Profit on sale of investments	1.54	51.24
	Other non-operating income	1,266.02	48.95
		1,943.05	**900.29**
31	**Cost of materials consumed**		
	Opening inventory of raw materials	4,283.13	2,106.10
	Add : Purchases	43,915.13	36,238.80
	Less : Closing inventory of raw materials	(7,588.65)	(4,283.13)
		40,609.61	**34,061.77**

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

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

₹ in Lakhs

	Particulars	As at March 31, 2023	As at March 31, 2022
32	**Changes in inventories of work-in-progress, stock in trade and finished goods**		
	Opening stock		
	Intermediates & Work-in-progress	6,907.63	5,217.56
	Traded Goods		-
	Finished Goods	5,484.49	4,902.00
		12,392.12	**10,119.56**
	Closing stock		
	Intermediates & Work-in-progress	7,745.00	6,907.63
	Traded Goods		-
	Finished Goods	6,794.66	5,917.76
		14,539.66	**12,825.39**
	Total changes in inventories	**2,147.54**	**2,705.83**
33	**Employee benefits expense**		
	Salaries and wages	5,449.92	4,935.58
	Contribution to provident and other funds	424.91	849.31
	Staff welfare expenses	660.21	542.81
		6,535.04	**6,327.70**
34	**Depreciation and amortisation expense**		
	Depreciation on Property, Plant and Equipment	5,477.90	8,699.33
	Less : Depreciation considered under discontinued operations	-	-
	Amortisation of Intangible Assets	0.78	3.13
	Less : Amortisation considered under discontinued operations	-	-
		5,478.68	**8,702.46**
35	**Finance Cost**		
	Interest on Bank Borrowings	1,527.85	1,859.51
	Less : Transferred to Capital work in progress	69.32	-
	Net interest on bank borrowings	1,458.53	1,859.51
	Interest on Others	1,764.04	1,341.66
		3,222.57	**3,201.17**
36	**Other expenses**		
	Power and Fuel	6,126.21	5,273.93
	Consumption of Stores, Spares & Chemicals	1,255.53	1,272.56
	Rent	0.35	56.84
	Repairs to buildings	134.60	65.35
	Repairs to Machinery	83.02	57.02
	Factory maintenance	1,445.75	1,230.89
	Insurance	395.91	423.27
	Rates & Taxes	98.24	84.11
	Research & Development Expenses	636.21	662.63
	Advertisement	4.06	4.40
	Payment to Auditors [refer note 36 (a)]	35.25	34.53
	Cost Audit fee	2.00	2.00
	Travelling and Conveyance	51.21	19.70

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

₹ in Lakhs

	Particulars	As at March 31, 2023	As at March 31, 2022
	Directors' remuneration & perquisites	236.21	146.71
	Directors' travelling expenses	52.05	20.80
	Directors' sitting fees	8.00	9.75
	Freight outward	698.41	1,063.18
	Commission on sales	675.02	1,153.09
	Business promotion and selling expenses	56.14	5.50
	Lease rentals	101.25	101.25
	Professional consultancy charges	445.49	404.34
	Allowance for expected credit loss	118.83	366.73
	Bank charges	67.65	144.43
	Loss on sale of property, plant and equipment	16.09	-
	Miscellaneous expenses	487.41	355.62
		13,230.88	**12,958.63**
36 (a)	**Payment to Auditors**		
	For statutory audit	16.50	18.00
	For issuing limited review reports	7.50	12.00
	For tax audit	2.00	2.50
	For certificate and other services *	9.25	1.82
	Out of pocket expenses	-	0.21
		35.25	**34.53**
	* including Rs.8.25 Lakhs paid to erstwhile auditors		

37 Income tax expense

In view of the carried forward losses under the taxation laws, no provision for tax is required to be created.

38 Movement of deferred tax expense

For the year ended March 31, 2023

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	(8,283.47)	(327.09)	-	(8,610.56)
Unabsorbed tax depreciation*	8,283.47	327.09	-	8,610.56
Other temporary differences	(322.62)	-	-	(322.62)
	(322.62)	**-**	**-**	**(322.62)**

For the year ended March 31, 2022

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant, and equipment and Intangible Assets	(14,933.97)	6,650.50	-	(8,283.47)
Unabsorbed tax depreciation*	14,933.97	(6,650.50)	-	8,283.47
Other temporary differences	(322.62)	-	-	(322.62)
	(322.62)	**-**	**-**	**(322.62)**

*Since the Group has unabsorbed depreciation, it has scaled down the recognition of deferred tax asset to that extent it matches with the aggregate deferred tax liability arising on account of Property, Plant and Equipment. However, no deferred tax asset has been created in respect of carry forward business losses in the absence of convincing evidence that future taxable income will be available.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

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

₹ in Lakhs

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
39	**Earnings per share**		
	Profit for the year from continuing operations attributable to owners of the Group	5,309.34	(6,042.14)
	Profit for the year from discontinued Operations attributable to the owners of the Group	(677.51)	5,847.02
	Profit for the year from continued and discontinued Operations attributable to the owners of the Group	4,631.83	(195.12)
	Weighted average number of ordinary shares outstanding	4,08,16,400	4,08,16,400
	Earnings per equity share (For continuing operations):		
	- Basic (Rs.)	13.01	(14.80)
	- Diluted (Rs.)	13.01	(14.80)
	Earnings per equity share (For discontinued operations) :		
	- Basic (Rs.)	(1.66)	14.32
	- Diluted (Rs.)	(1.66)	14.32
	Earnings per equity share (For discontinued & continuing operations) :		
	- Basic (Rs.)	11.35	(0.48)
	- Diluted (Rs.)	11.35	(0.48)
40	**Expenditure on Research and Development**		
	Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**
	Revenue expenditure relating to Research and Development charged to the Statement of Profit or Loss (excluding depreciation) includes:		
	Power and fuel	-	36.66
	Consumption of stores, spares and chemicals	133.31	104.94
	Salaries, wages and bonus	402.62	448.52
	Contribution to Provident and other funds	18.78	30.09
	Travelling and conveyance	0.27	-
	Filing and registration expenses	0.88	0.88
	Professional consultancy charges	63.96	14.96
	Others	16.39	26.58
	Total	**636.21**	**662.63**
41	**Commitments and contingent liabilities**		
	Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**
	Contingent Liability		
	Claims against the Group not acknowledged as debts		
	- Income Tax dispute pending before High Court of Chennai*	-	-
	- Other claims **	3,456.78	2,051.33
	Unexpired Letter of Credit	738.56	2,236.39

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

	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	675.43	-
*	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 has disputed the portion of the lease rent, considered to be excessive than the market rate, amounting to Rs.3,077.00 Lakhs upto March 31, 2023 (FY : 2021-22 Rs. 2051.33 lacs) 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.		
	The Group is in the process of discussion with the Lessor for the out of court settlement.		
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		
		Year ended March 31, 2023	**Year ended March 31, 2022**
	India	10,388.91	7,661.35
	Rest of the world	55,172.15	47,945.92
		65,561.06	**55,607.27**
	(b) Non current assets		
	The manufacturing facilities of the Group is situated in India and no non-current assets are held outside India		
43	**Operating lease arrangements**		
	Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**
	As Lessee		
	The Group has entered into operating lease arrangements for certain facilities. The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties.		
	Lease payments recognised in the Statement of Profit and Loss	101.25	101.25

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

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

₹ in Lakhs

44 Terms and conditions of borrowings

A) Long term borrowings - Term loans from banks

1) Foreign Currency Term Loan:

As per the terms of the Loan agreement, Interest for the Foreign Currency Term Loan (FCTL) is @ 6 Months SOFR plus 2.00% margin. This Loan is repayable in 14 equal quarterly installments starting from December 2021. However, in March 2023 the Group has pre-paid Rs.60 Crore against the sale of non-core asset. Now, the balance loan will be fully settled by September 2024.

2) Rupee Term Loan :

New Rupee term loan of Rs.50 Crore was sanctioned during the year with the terms of interest @ 8.36% per annum linked with 3 months T bill with a tenor of 54 months including a moratorium of 12 months from first disbursement. First instalment will fall due in Dec 2023

The Loan is secured by way of :

I) Exclusive charge on the moveable fixed assets of the Company funded out of the Term Loan by way of hypothecation,both present and future

ii) First pari passu charge over

a) all other movable fixed assets of the Company by way of hypothecation, both present and future

b) Immovable Fixed Assets by way of mortgage of land/ leasehold rights and all the buildings of the Company at Alathur, both present and future

c) all the rights, titles, interest, benefits, claims & demand whatsoever of the Company as amended, varied or supplemented from time to time

d) 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.

e) intangibles, goodwill, uncalled capital , present and future

iii) 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

3) Long term borrowings - 0% Optionally Convertible Debentures

During the year ended March 31, 2020, the Company has issued 14,300 0% Optionally Convertible Debentures (OCD) of Rs.1,00,000 each. In case, the OCD holders exercise their option to convert the same, then the said conversion shall happen only on the basis of face value of each of the OCD and no interest shall be payable to the OCD holders. However, if the OCD holders opt not to exercise their option for conversion, then the OCL holders shall be entitled to redemption premium of atleast 11 % IRR on annual basis on the amount of the said OCDs or such higher amount as the Board decides after considering the market price of shares of the Company; however in any case, redemption premium shall not exceed beyond 18% IRR on an annual basis. The said OCD, till the time it is not converted into equity shares, shall not be listed on any stock exchange in India and are permitted to be transferred only with the permission of the Board of Directors of the Holding 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.

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

B) Short term borrowings

During the year YES Bank has sanctioned Rs.75 Crore Working Capital credit facility (100% interchangeable) with terms of 3 months T bill + 3.11%. Spread. Further, HDFC Bank has sanctioned additional non-fund based working capital facility of Rs.19 Crore.

The cash credit limits and working capital demand loan with the banks are secured by:

i) First Pari pasu charge by way of hypothecation over the entire current assets, both present and future.

ii) Second pari passu charge on all movable fixed assets by way of hypothecation, of all movable fixed assets of the Company, both present and future.

iii) Second pari passu charge by way of mortgage of land/ leasehold rights and all the buildings present and future of the Company.

iv) First pari passu charge over all the rights, titles, interests, benefits, claims and demand whatsoever of the Company and as amended, varied or supplemented from time to time.

v) First pari passu charge on all the titles, interests, benefits, claims and demand whatsoever of the Company, in any letter of credit, guarantee or performance bond provided by any party to OPL, present or future.

vi) First pari passu charge on intangibles, goodwill uncalled capital present and future.

vii) The cash credit limits and working capital demand loan are additionally secured by personal guarantee given by Managing Director of the Holding Company Mr. Manish Dhanuka and one of the director of the ultimate holding company Mr. Mahendra Kumar Dhanuka

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, 2023	March 31, 2022
	Debt		19,039.52	24,511.22
	Less: Cash and bank balances		3,062.62	806.30
	Net debt		15,976.90	23,704.92
	Total equity		68,864.90	64,737.99
	Gearing ratio (%)		23.20%	36.62%
	Categories of Financial Instruments		**March 31, 2023**	**March 31, 2022**
	Financial assets			
	a. Measured at amortised cost			
	Other non-current financial assets		687.48	476.05
	Trade receivables		21,519.38	17,056.82
	Cash and cash equivalents		2,259.71	430.66
	Bank balances other than above		802.91	375.64
	Other financial assets		15.84	0.14
	b. Mandatorily measured at FVTOCI			
	Investments		461.75	351.35

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

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

₹ in Lakhs

	Categories of Financial Instruments		March 31, 2023	March 31, 2022
	c. Mandatorily measured at FVTPL			
	Investments		-	-
		Total	**25,747.07**	**18,690.66**
	Financial liabilities			
	a. Measured at amortised cost			
	Borrowings (non-current, excluding current maturities)		14,883.76	20,816.52
	Borrowings (current)		18,250.81	5,978.84
	Trade payables		18,178.50	16,768.30
	b. Mandatorily measured at FVTPL			
	Derivative instruments		Nil	Nil
		Total	**51,313.07**	**43,563.66**

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, 2023

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	143.84	-	143.84	269.02	-	269.02	125.18
EUR	1.91	-	1.91	0.97	-	0.97	(0.94)
Others	0.02	-	0.02	-	-	-	(0.02)
In INR	12,049.05	-	12,049.05	22,110.48	-	22,110.48	10,061.43

As on March 31, 2022

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	254.42	-	254.42	247.10	-	247.10	(7.32)
EUR	2.28	-	2.28	0.97	-	0.97	(1.31)
GBP	-	-	-	-	-	-	-
Others	2.17	-	2.17	-	-	-	(2.17)
In INR	19,557.21	-	19,557.21	18,884.32	-	18,884.32	(672.89)

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, 2023 would decrease/ increase by Rs.55.09 lakhs (March 31, 2022 : Rs.36.95 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, 2023

(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.

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.

March 31, 2023	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	18,178.50	-	-	18,178.50
Borrowings	22,406.57	10,728.00	-	33,134.57
	40,585.07	**10,728.00**	**-**	**51,313.07**
March 31, 2022	**Due in 1st year**	**Due in 2nd to 5th year**	**Due after 5th year**	**Carrying amount**
Trade payables	16,768.30	-	-	16,768.30
Borrowings	5,978.84	14,778.80	6,037.72	26,795.36
	22,747.14	**14,778.80**	**6,037.72**	**43,563.66**

	March 31, 2023	March 31, 2022
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)	Nil	Nil

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

46 Related party disclosure

a) Name of related party and nature of relationship

Ultimate Holding Company	Dhanuka Laboratories Limited
Key Management Personnel and their relatives	
Mr. Ram Gopal Agarwal	Chairman and non executive director
Mr. Manish Dhanuka	Managing Director
Mr. Mridul Dhanuka	Wholetime Director
Mr. Arun Kumar Dhanuka	Non Executive Director (upto 30th January, 2023)
Mr. Mahendra Kumar Dhanuka	Relative of Directors
Mr. Sunil Gupta	Chief Financial Officer
Ms. K Nikita (upto 22.07.2022)	Company Secretary (upto 22nd July, 2022)
Ms. Marina Peter (w.e.f. 06.09.2022)	Company Secretary (w.e.f. 6th September, 2022)
Enterprises in which the KMPs are having control/ significant influence	Otsuka Chemical (India) Pvt Ltd
	Synmedic Laboratories
	Dhanuka Agritech Ltd.
	Dhanuka Pharmaceuticals Private Ltd.
	Dhanuka Fiinvest Private Ltd.
	Madhuri Designs-N-Exports Private Ltd.
	Invest Care Real Estate LLP
	Golden Overseas Private Ltd.
	M D Buildtech Private Ltd.
	Dhanuka Infotech Private Ltd.
	Duke Impex Private Ltd.
	A.M. Bros. Fintrade Private Ltd.
	NorthernMinerals Ltd.
	Growth Advertising and Marketing Pvt Ltd.
	Liberty Sales Private Ltd.
	Agrihawk Technologies Private Ltd.
	Star Living Infrastructure Advisors LLP
	Dhanuka Chemicals Private Ltd.
	H D Realtors Private Ltd.
	Turbos Advisers LLP
	Cosmo Components Private Ltd.

b) Transactions with related parties are as follows

Particulars	Ultimate Holding Company		Enterprises in which Key Management Personnel and their Relatives have significant influence		Key Management Personnel and their Relatives	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Remuneration & Short term benefits*	-	-	-	-	246.69	155.03
Sale of goods	817.62	772.24	107.50	167.01		
Purchase of Land and Buildings	2696.13	-	1,971.62	-		
Leasing of Land and Buildings	147.15	-	100.19	-		
Purchase of goods	2172.80	2044.10	13,406.93	8,596.94		
Rent deposit paid			19.10			
Expenses paid	0.16					
Advance for purchase of Land		674.03	-	492.90	-	-

*Post employment benefit comprising compensated absences is not disclosed as these are determined for the Group as a whole.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

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

c) Balances with related parties are as follows

Particulars	Ultimate Holding Company		Enterprises in which Key Management Personnel and their Relatives have significant influence		Key Management Personnel and their Relatives	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Trade receivables	39.22	-	75.62	-		
Trade payables	428.39	-	3,481.99	3,503.39		
Rent deposit			19.10	-		
Remuneration payable			-	-	45.96	-
Advance for purchase of Land	-	674.03	-	492.90		
0% Optionally Convertible Debentures (including the equity component disclosed under "Other Equity")	14300	14300				

e) Material related party transactions are follows

	Nature of transactions	Year ended March 31, 2023	Year ended March 31, 2022
	Remuneration & Short term benefits		
	Manish Dhanuka	118.11	73.35
	Mridul Dhanuka	118.11	73.35
	K. Nikita	3.17	8.33
	Marina Peter	7.30	-
	Sale of goods		
	Synmedic Laboratories	107.50	167.01
	Dhanuka Laboratories Limited	817.62	772.24
	Purchase of goods		
	Dhanuka Laboratories Limited	2,172.80	2,044.10
	Otsuka Chemical (India) Pvt Ltd	13,406.93	8,596.94
	Purchase of Land and buildings		
	Dhanuka Laboratories Limited	2,696.13	-
	Synmedic Laboratories	1,971.62	-
	Rental deposit paid		
	Dhanuka Agritech Limited	19.10	-
	Lease rentals for Land and buildings		
	Dhanuka Laboratories Limited	147.15	-
	Synmedic Laboratories	100.19	-
	Advance for purchase of Land		
	Dhanuka Laboratories Limited	-	674.03
	Synmedic Laboratories	-	492.90

(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, 2023	As at March 31, 2022
	Trade payables		
	Dhanuka Laboratories Limited	428.39	-
	Otsuka Chemical (India) Pvt Ltd	3,481.99	3,472.27
	Trade receivables		
	Dhanuka Laboratories Limited	39.22	-
	Synmedic Laboratories	75.62	-
	Advance for purchase of Land		
	Dhanuka Laboratories Limited	-	674.03
	Synmedic Laboratories	-	492.90
	Equity Share Capital		
	Dhanuka Laboratories Limited	3,672.00	3,672.00
	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 Group are entitled to receive benefits in respect of Gratuity fund, a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Provident fund, Gratuity fund, Superannuation fund as well as Employee State Insurance Fund.

The total expense recognised in profit or loss of Rs.424.91 Lakhs (for the year ended March 31, 2022: Rs. 589.33 Lakhs) represents contribution paid to these plans by the Group at rates specified in the rules of the plan.

Defined benefit plans

(a) Gratuity

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

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

₹ in Lakhs

	The principal assumptions used for the purposes of the actuarial valuations were as follows:		
	Particulars	**March 31, 2023**	**March 31, 2022**
	Discount Rate	7.27%	7.04%
	Rate of increase in compensation level	7.00%	7.00%
	Expected return on plan assets	7.04%	6.68%
	Mortality	Indian Assured Lives Mortality (2012-14)(Ultimate)	Indian Assured Lives Mortality (2012-14)(Ultimate)
	The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		

	Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:	**March 31, 2023**	**March 31, 2022**
	Amount recognised under Employee Benefits Expense in the Statement of profit and Loss:		
	Current service cost	88.48	82.26
	Net interest expense	97.47	97.81
	Return on plan assets (excluding amounts included in net interest expense)	(22.52)	(23.41)
	Components of defined benefit costs recognised in profit or loss	**163.43**	**156.66**
	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	23.28	(146.39)
	Components of defined benefit costs recognised in other comprehensive income	**23.28**	**(146.39)**
	Components of defined benefit costs recognised in other comprehensive income	**186.71**	**10.27**
	i. Current service cost and the net interest expense for the year are included in the 'Employee Benefits Expense' in profit or loss.		
	ii. The remeasurement of the net defined benefit liability is included in other comprehensive income.		
	The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit plans is as follows:		
		March 31, 2023	**March 31, 2022**
	Present value of defined benefit obligation	1,588.19	1,440.27
	Fair value of plan assets	(277.46)	(316.24)
	Net liability/ (asset) arising from defined benefit obligation	**1,310.73**	**1,124.03**
	Funded	1,310.73	1,124.03
	Unfunded	-	-
		1,310.73	**1,124.03**
	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, 2023	**March 31, 2022**
	Opening defined benefit obligation	1,440.27	1,521.80
	Current service cost	88.48	82.26
	Interest cost	97.47	97.81
	Actuarial (gains)/losses	73.58	(146.39)
	Benefits paid	(111.60)	(115.21)
	Closing defined benefit obligation	**1,588.19**	**1,440.27**
	Movements in the fair value of the plan assets in the current year were as follows:		

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

		March 31, 2023	March 31, 2022
	Opening fair value of plan assets	316.24	408.04
	Return on plan assets	22.52	23.41
	Benefits paid	(111.60)	(115.21)
	Actuarial gains/(loss)	50.30	-
	Closing fair value of plan assets	**277.46**	**316.24**
	Sensitivity analysis		
	In view of the fact that the Group for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.		
	(b) Compensated absences		
	The leave scheme is a final salary defined benefit plan, that provides for a lumpsum payment at the time of separation; based on scheme rules the benefits are calculated on the basis of last drawn salary and the leave count at the time of separation and paid as lumpsum.		
	The design entitles the following risk		
	Interest rate risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.	
	Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.	
	Demographic risk	This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of these decrement on the DBO depends upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short caring employees will be less compared to long service employees.	
	The above provisions are reflected under 'Provision for employee benefits - Compensated absences' (Non current provisions) [Refer note 23] and 'Provision for employee benefits - Compensated absences' (Current provisions) [Refer note 27].		

48A Disclosure of interests in subsidiary companies consolidated as per Ind AS 110 'Consolidated Financial Statements"

	Name of enterprise *	Country of Incorporation	Proportion of ownership interest
	Orchid Europe Limited, UK (Upto 27.09.2022)	UK	100.00%
	Orchid Pharmaceuticals Inc., USA	USA	100.00%
	Orgenus Pharma Inc., USA (Subsidiary of Orchid Pharmaceuticals Inc USA.)	USA	100.00%
	Orchid Pharma Inc / Karalex Pharma USA, (Subsidiary of Orchid Pharmaceuticals Inc, USA)	USA	100.00%
	Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa	South Africa	100.00%
	Bexel Pharmaceuticals Inc., USA	USA	100.00%
	Diakron Pharmaceuticals Inc., USA **	USA	76.65%
	Orchid Bio-Pharma Limited , India	India	100.00%
	Orbion Pharmaceuticals Private Limited	India	26.00%
	* All the above companies are not in operation and the investments are fully provided by the holding company		
	** Since the company is not operational and fully provided for, no non-controlling interest has been considered		

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

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

₹ in Lakhs

48B	Disclosure of interests in associate company consolidated under equity method as per Ind AS 28 "Investments in Associates and Joint Ventures"			
	Name of enterprise *	**Place of Business/ Country of Incorporation**	**Proportion of ownership interest**	**Share in Total Comprehensive Income under equity method**
	Orbion Pharmaceuticals Private Limited	India	26.00%	(215.35)

48C	Additional Information, as required under Schedule III to the Companies Act, 2013								
		Net Assets i.e. Total Assets minus Total Liabilities		**Share in Profit or Loss**		**Share in Other Comprehensive Income**		**Share in Total Comprehensive Income**	
		As % of consolidated Net Assets	**Amount**	**As % of consolidated Profit / (Loss)**	**Amount**	**As % of consolidated Other Comprehensive Income**	**Amount**	**As % of consolidated Total Comprehensive Income**	**Amount**
	Orchid Europe Limited, UK	0.00%	-	0.00%	-	-	-	0.00%	-
	Orchid Pharmaceuticals Inc., USA and its subsidiaries	-6.25%	(4,304.18)	-10.35%	(571.70)	-	-	-10.38%	(571.70)
	Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa	-	-	-	-	-	-	-	-
	Bexel Pharmaceuticals Inc., USA	-0.21%	(146.26)	-	-	-	-	-	-
	Diakron Pharmaceuticals Inc., USA	-4.59%	(3,159.67)	0.00%	-	-	-	0.00%	-

49	Discontinuing operations		
	During the previous year the Group had completed the sale of IKKT Division which was previously classified as disposal group as per Ind AS 105 "Non Current Assets held for sale and Discontinued operations". Further, during the year the related working capital adjustment as per the Sale Agreement was finailised and the resultant net outflow amounting to Rs.105.81 lakhs has been disclosed under discontinuing operations.		
	(I) The carrying value of the total assets and liabilities of discontinued operations		
	Particulars	**As at March 31, 2023**	**As at March 31, 2022**
	Liabilities		
	Non Current liabilities	-	-
	Financial Liabilities	-	-
	Other Current Liabilities	-	-

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

	Particulars	As at March 31, 2023	As at March 31, 2022
			-
	Total liabilities	**-**	**-**
	Assets		
	Property, Plant and Equipment (PPE)	-	-
	Intangible Assets	-	-
	Capital Work in Progress	-	-
	Intangible under development	-	-
	Non Current Financial Assets	-	-
	Current Financial Assets	-	-
	Other current assets	-	-
	Total Assets	**-**	**-**
	Particulars	**As at March 31, 2023**	**As at March 31, 2022**
	Net Assets/ (Liabilities)	**-**	**-**
	(ii) The revenue and expenses in respect of ordinary activities attributable to discontinuing operations		
	Revenue		
	Revenue from operations	-	1,294.59
	Other Income	(105.81)	7,530.09
	Other Income (Exceptional income)	-	-
	Total revenue (a)	(105.81)	8,824.68
	Expenses		
	Cost of materials consumed	-	276.45
	Changes in inventories of work-in-progress, stock in trade and finished goods	-	512.73
	Employee benefits expense	-	439.75
	Depreciation and amortization expense	-	-
	Other expenses	571.70	1,748.73
	Total expenses (b)	571.70	2,977.66
	profit/ (Loss) before exceptional item and tax (a-b) = (c)	**(677.51)**	**5,847.02**
	Less : Exceptional item	-	-
	Profit/ (Loss) before tax	**(677.51)**	**5,847.02**
	Tax expenses	-	-
	Profit/ (Loss) from discontinuing operations	**(677.51)**	**5,847.02**
	As required by Ind AS 105, the Group re-presented the disclosures for prior periods presented in the consolidated financial statements so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented.		

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

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

50 During the year the Company completed the sale of land and buildings at Orchid Towers, Chennai which was classifed in earlier years as "Non Current asset held for sale". The resultant profit on sale of the assets amounting to Rs. 3921.04 Lakhs is treated as an exceptional item in the Statement of profit and loss.

51 Previous year figures have been regrouped or rearranged wherever considered necessary.

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For **Singhi & Co.,**
Chartered Accountants
Firm Registration No.302049E

Sd/-
Sudesh Choraria
Partner
Membership No.204936

Place: Mumbai
Date: May 10, 2023

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

Sd/-
Manish Dhanuka
Managing Director
DIN: 00238798

Sd/-
Mridul Dhanuka
Whole Time Director
DIN: 00199441

Sd/-
Sunil Gupta
Chief Financial Officer
Place : Gurgaon
Date: May 10, 2023

Sd/-
Marina Peter
Company Secretary

ORCHID PHARMA LIMITED
CIN: L24222TN1992PLC022994
Regd. Office: 'Orchid Towers', # 313, Valluvarkottam High Road, Nungambakkam, Chennai - 600 034,
Tamil Nadu, India. Tel: +91-44-2821 1000 Fax: +91-44-2821 1002
E-mail: corporate@orchidpharma.com I Website: www.orchidpharma.com

NOTICE OF THE 30th ANNUAL GENERAL MEETING

Notice is hereby given that the **30th Annual General Meeting** ("**AGM**") of the Members of Orchid Pharma Limited ("**Company**") will be held on **Wednesday, August 09, 2023 at 11:30 A.M.** (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

a) The Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023 including Balance Sheet as at March 31, 2023, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Reports of the Board of Directors and the Auditors thereon;

b) The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023 including Balance Sheet as at March 31, 2023, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Reports of the Board of Directors and the Auditors thereon;

2. To appoint a Director in place of Shri Mridul Dhanuka (DIN: 00199441) Whole-Time Director of the Company, who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS :

3. Ratification of Remuneration to the Cost Auditor for the Financial Year 2023-24

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 (the "Act") and the relevant Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of Shri J Karthikeyan, Cost Accountant (Membership No.29934, Firm Registration Number M-102695) appointed as the Cost Auditors in respect of Pharmaceuticals segment (Bulk Drugs & Formulations), for the Financial Year ending March 31, 2024, at Rs. 2,50,000/- (Rupees Two Lakhs and Fifty Thousand Only) excluding applicable taxes and out of pocket expenses, if any, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors and Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution."

4. Shifting of Registered office of the Company

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

"RESOLVED THAT pursuant to the provisions of sections 12 and 13 of the Companies Act, 2013 read with Rule 28 of the Companies (Incorporation) Rules, 2014 and any other applicable provisions of the Act and rules made thereunder or any statutory modification(s), amendment or re-enactment thereof, and subject to such approvals, permissions, and sanctions, if any, as may be necessary from any concerned authorities, the consent of the members of Company be and is hereby accorded to shift the registered office of the Company from "Orchid Towers", 313, Valluvar Kottam High Road Nungambakkam Chennai – 600034, located in State of Tamil Nadu under Jurisdiction of Registrar of Companies Chennai, (ROC-Chennai) to Plot Nos. 121-128, 128A-133, 138-151, 159-164, SIDCO Industrial Estate, Alathur, Chengalpattu District-603110, located in State of Tamil Nadu under Jurisdiction of Registrar of Companies Chennai, (ROC-Chennai).

RESOLVED FURTHER THAT the Board of Directors and Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution."

5. Approval for Material Related Party Transactions with M/s. Otsuka Chemicals (India) Private Limited

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

"RESOLVED THAT pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 ("Act") read with the applicable Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), Regulation 23 and other applicable provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015("Listing Regulations") as amended from time to time, the Company's policy on "Materiality of Related Party Transactions and also on dealing with Related Party Transactions", all other applicable laws and regulations, as amended, supplemented or re-enacted from time to time, subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary and pursuant to the approval and recommendation of the Audit Committee and the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded to the Board of Directors ('the Board', which term shall include any Committee) of the Company to enter into Material related party transactions in the nature of Purchase of raw materials from M/s. Otsuka Chemicals (India) Private Limited being 'Related Party' under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations based on the expected value of the transactions upto Rs. 250,00,00,000 (Rupees Two Hundred and Fifty Crores Only) for the financial year 2023-2024 (which is expected to excess rupees one thousand crore or 10% of the Annual Consolidated Turnover as per the last audited financial statements of the Company, whichever is lower) provided that the said transactions to be entered into / carried out are in the Ordinary course of business and are on arm's length basis on such terms and conditions as may be considered appropriate by the Board of Directors and as may be agreed between the Company and M/s. Otsuka Chemicals (India) Private Limited more particularly enumerated in the Explanatory statement annexed to this Notice.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof) of the Company be and are hereby authorized to perform and execute all such deeds, matters and things including delegation of authority as may be deemed necessary or expedient to give effect to this resolution and for the matters connected there with or incidental thereto".

6. Approval of the limit of managerial remuneration payable to Shri Manish Dhanuka (DIN: 00238798), Managing Director of the Company

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Rules framed thereunder, including any statutory modifications or re-enactment thereof, and the Articles of Association of the Company and in furtherance of the ordinary resolution passed in the Annual General Meeting held on December 30, 2020 ("27th AGM") and subject to such other approvals as may be necessary, and as per the recommendation of the Nomination and Remuneration Committee and the Board of Directors, approval of the Members be and is hereby accorded for payment of remuneration to Shri Manish Dhanuka (DIN 00238798), Managing Director, as set out in the Explanatory Statement, for the remaining tenure of his appointment.

FURTHER RESOLVED THAT the terms and remuneration as set out in the Explanatory Statement of this Resolution shall be deemed to form part hereof and in the event of inadequacy or absence of profits during a financial year, the remuneration comprising salary, perquisites and benefits as approved by this resolution or as may be approved by the Board of Directors within the limits of this resolution be paid as minimum remuneration to the Managing Director, subject to the limits specified under Section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force), or such other limits as may be prescribed by the Government from time to time.

FURTHER RESOLVED THAT the Board be and is hereby authorised to vary and /or revise the remuneration of Shri Manish Dhanuka (DIN: 00238798) within limits permissible under the Act and do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid Resolution.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby authorized severally to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to the above resolution."

7. Approval of the limit of managerial remuneration payable to Shri Mridul Dhanuka (DIN: 00199441) Whole-Time Director of the Company

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Rules framed thereunder, including any statutory modifications or re-enactment thereof, and the Articles of Association of the Company and in furtherance of the ordinary resolution passed in the Annual General Meeting held on December 30, 2020 ("27th AGM") and subject to such other approvals as may be necessary, and as per the recommendation of the Nomination and Remuneration Committee and the Board of Directors, approval of the Members be and is hereby accorded for payment of remuneration to Shri Mridul Dhanuka (DIN: 00199441), Whole-time Director, as set out in the Explanatory Statement, for the remaining tenure of his appointment.

FURTHER RESOLVED THAT the terms and remuneration as set out in the Explanatory Statement of this Resolution shall be deemed to form part hereof and in the event of inadequacy or absence of profits during a financial year, the remuneration comprising salary, perquisites and benefits as approved by this resolution or as may be approved by the Board of Directors within the limits of this resolution be paid as minimum remuneration to the Whole-time Director, subject to the limits specified under Section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force), or such other limits as may be prescribed by the Government from time to time.

FURTHER RESOLVED THAT the Board be and is hereby authorised to vary and /or revise the remuneration of Shri Mridul Dhanuka (DIN 00199441) within limits permissible under the Act and do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid Resolution.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby authorized severally to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to the above resolution."

For and on behalf of the Board of Directors of

Orchid Pharma Limited

Sd/-

Manish Dhanuka
Managing Director

DIN: 00238798

Date: July 12, 2023
Place: Gurugram

NOTES:

1. In view of the continuing COVID-19 global pandemic, the Ministry of Corporate Affairs had issued General Circulars bearing Nos. 14/2020 dated 8th April, 2020, 17/2020 dated April 13, 2020, 20/2020 dated 5th May, 2020, 28/2020 dated August 17, 2020, 02/2021 dated January 13, 2021, 19/2021 dated December 8, 2021, 21/2021 dated December 14, 2021, 02/2022 dated May 05, 2022 and 10/2022 dated December 28, 2022 (collectively referred to as **"MCA Circulars"**) and any updates thereto issued by the Ministry of Corporate Affairs **("MCA")** read with Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular number SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 issued by the Securities and Exchange Board of India **("SEBI")** (hereinafter collectively referred to as **"the Circulars"**), companies are permitted to conduct the Annual General Meeting through Video Conferencing / Other Audio Visual Means (**"VC"** / **"OAVM"**) without the physical presence of members at a common venue. Hence, in accordance with the Circulars, provisions of the Companies Act, 2013 (**"the Act"**), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("Listing Regulations"),** the **Annual General Meeting ("AGM")** of the members of the Company is being held through VC /OAVM facility on Wednesday, August 09, 2023 at 11:30 a.m. (IST). Hence, the 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. 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.

3. Pursuant to Section 112 and 113 of the Companies Act, 2013, Representatives of Members such as the President of India or Governor of a State or a Body Corporates can 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 to info@vapn.in with a copy marked to Registrar and Share Transfer Agent (RTA) at info@abhipra.com and to the Company at cs@orchidpharma.com authorizing their representatives to attend and vote on their behalf at the Annual General Meeting of the Company.

4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, Secretarial Standards - 2 on General Meetings and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 setting out material facts in respect of the Item Nos. 3 to 7 of the Notice to be transacted at the Annual General Meeting is annexed and forms part of this Notice. Further, the relevant details with respect to Item No.2 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking reappointment at this AGM are also annexed.

5. Register of Members and the Share Transfer Books will remain closed from **Thursday August 3, 2023 to Wednesday, August 9, 2023 (both days inclusive)** for the purpose of Annual General Meeting for the financial year 2022-2023.

6. The Company has appointed National Securities Depository Limited ("NSDL") to provide facility for voting through remote e-Voting or through e-voting at the AGM, for participation in the 30th AGM through VC/OAVM Facility. The procedure for participating in the meeting through VC/ OAVM is explained in these notes and is also available on the website of the Company at www.orchidpharma.com

7. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.,

For shares held in electronic form: to their Depository Participants(DPs)

For shares held in physical form: to the Company's Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular Nos. SEBI/HO/ MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023.

Members are requested to address all correspondence to the Company's Registrar and Share Transfer Agents (RTA) viz., M/s Abhipra Capital Limited, Abhipra Complex, A-387, Dilkhush Indl Area, GT Karnal Road, Azadpur New Delhi-110033, India (info@abhipra.com) or to the Company at corporate@orchidpharma.com

8. The copy of Register of Directors and Key Managerial Personnel (KMP) and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee from the date of circulation of this Notice up to the date of AGM, i.e. August 09, 2023.

9. Members holding shares in physical form can avail the nomination facility by filing Form SH-13, as prescribed under Section 72 of the Companies Act, 2013 and the Rules made thereunder, with the Company's Registrar and Share Transfer Agent. Members holding shares in physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with physical shares, Members can contact the Depository Participants(DPs) for assistance in this regard.

10. In case of joint holders attending the AGM, 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.

11. 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 30th AGM along with the Annual Report for the financial year 2022-2023 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.

12. In line with the MCA circulars the Notice convening 30th AGM and explanatory statement ('the Notice') and the Annual Report of the Company for the Financial Year 2022-2023 is available on the Company's website on http://www.orchidpharma.com/ The Notice and Annual Report of the Company is also hosted on the website of stock exchanges where the shares of the Company are listed i.e. BSE Limited www.bseindia.com and National Stock Exchange of India Limited www.nseindia.com and also on the website of National Securities Depository Limited ("NSDL") (agency for providing the VC/ OAVM facility/Remote e-Voting and e-voting system during the AGM) i.e., http://www.evoting.nsdl.com/ For any communication, the shareholders may also send request to the following mail id: cs@orchidpharma.com

13. 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.

14. 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 throughput the proceedings of the AGM till the expiry of Fifteen (15) minutes after such scheduled time of commencement of meeting as stated in the Notice.

15. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis ("**FIFO**"). 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 FIFO principle.

16. In accordance to the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with clarification /Guidance on applicability of Secretarial Standards 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.

17. **Remote e-voting:** Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, Secretarial Standard on General Meetings **("SS-2")** issued by the ICSI and Regulation 44 of the Listing Regulations, as amended read with circular of SEBI on e-voting facility provided by Listed entities and the MCA Circulars, the Company is providing facility to its Members to exercise their right to vote on the resolutions proposed to be passed at the AGM through **remote e-voting facility**.

18. **Voting at the AGM:** Members who could not vote through remote e-voting may avail the e-voting facility which will be made available at the Meeting **("e-voting")**, facility to be provided by NSDL.

19. The Members are requested to note that the Company has arranged Video Conferencing Facility (VC) for the proceedings of the AGM through 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 NSDL. The link/tab will be available in Member login where the EVEN of the Company will be displayed.

20. The Board of Directors of the Company at their Meeting held on July 12, 2023 had appointed Mr. Prabhakar Kumar, Partner (Membership No. F5781 & COP No. 10630) of M/s. VAPN & Associates, Practicing Company Secretaries (FRN: P2015DEC0555000), as the Scrutinizer to scrutinize the remote e-voting process and casting of vote through e-voting system during the AGM in a fair and transparent manner.

21. 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 2 working days from conclusion of the Meeting, a Consolidated Scrutinizer's Report of the total votes cast in favor 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.

22. The results of voting along with Consolidated Scrutinizer's Report will be declared within 2 working days from the conclusion of the Annual General Meeting. The results declared along with the Consolidated Scrutinizer's Report shall be communicated to stock exchanges, where the Company's shares are listed within the prescribed timelines and will also be uploaded on the Company's website http://www.orchidpharma.com and on http://www.evoting.nsdl.com Further, the results shall be displayed on the Notice Board of the Company at its Registered Office.

23. Since the AGM will be held through VC/ OAVM, the Route Map of the Venue of the AGM is not annexed to this Notice.

24. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules,2016 (IEPF Rules) the amounts, which remain unpaid or unclaimed for a period of seven years, shall be transferred to the Investor Education and Protection Fund. As per the provisions of Section 124 (6) of the Companies Act, 2013 ("Act"), read with IEPF rules as amended, all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company in the name of IEPF. The shareholders are entitled to claim the shares and the dividend transferred to IEPF in accordance with such procedure and on submission of such documents as prescribed in the Act.

25. 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 02, 2023 through email at cs@orchidpharma.com the same will be replied by the Company suitably through email.

26. The Company has designated an exclusive Email ID: corporate@orchidpharma.com for redressal of shareholders complaints/grievances. For any investor related queries, you are requested to please write to us at the above Email ID.

CALENDER-AGM		
Sr. No.	**Particulars**	**Date**
1.	Cut-off Date For Eligibility of Voting for the AGM	Wednesday, August 02, 2023
2.	Book Closure Dates	From Thursday, August 03, 2023 to Wednesday, August 09, 2023 (*both days inclusive)*
3.	Remote E-Voting Period	From 9:00 A.M (IST) on Sunday, August 6 , 2023 till 5:00 P.M. (IST) on Tuesday, August 08 , 2023
4.	Date & Time of AGM	Wednesday, August 09, 2023 at 11:30 A.M. IST

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

The remote e-voting period begins on Sunday, August 6, 2023 at 09.00 A.M. IST and ends on Tuesday, August 08, 2023 at 05.00 P.M. IST. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, August 02, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, August 02, 2023.

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

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

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	**Login Method**
Individual Shareholders holding securities in demat mode with **NSDL**.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon **"Login"** which is available under **'Shareholder/Member'** section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with **CDSL**	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.

Type of shareholders	Login Method
	3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.Regards,
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
   d) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The.pdf file contains your 'User ID' and your 'initial password'.
   e) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting"
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to info@vapn.in with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 or 1800 22 44 30 or send a request to Ms. Soni Singh at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to corporate@orchidpharma.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to corporate@orchidpharma.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGHVC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at corporate@orchidpharma.com. The same will be replied by the company suitably.

6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request from their registered e-mail address between July 26, 2023 (9.00 a.m. IST) and August 02, 2023 (5.00 p.m. IST) mentioning their name, demat account number/folio number, email id, mobile number at cs@orchidpharma.com. The shareholders who do not wish to speak during the A GM but have queries may send their queries seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@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.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to log in through Depository i.e. CDSL and NSDL.

Login type	Help desk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or contact at toll free no. 1800 1020990 and 1800 22 44 30

Procedure for obtaining the AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the depositories or with RTA on physical folios:

On account of threat posed by COVID-19 and in terms of the MCA and SEBI Circulars, the Company has sent the Notice of AGM along with Annual Report and e-voting instructions only in electronic form to the registered email addresses of the shareholders whose email addresses are registered with the Company / Depositories. Therefore, those shareholders who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:

i. Those shareholders who have registered/not registered their mail address and mobile number including address and bank details may please contact and validate/update their details with the relevant Depository Participant in case of shares held in electronic form and with the Company's Registrar and Share Transfer Agent M/s. Abhipra Capital Limited ("**Abhipra**") in case the shares held in physical form.

ii. Shareholders who have not registered their mail address and in consequence the Notice of AGM and e-voting instructions could not be serviced may temporarily get their email address and mobile number provided with the Company's Registrar and Share Transfer Agent, Abhipra by sending email to rta@abhipra.com for sending the same. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, shareholder may write to rta@abhipra.com or corporate@orchidpharma.com

iii. Shareholders may also visit the website of the company www.orchidpharma.com or the website of the NSDL www.evoting.nsdl.com downloading the Notice of the AGM and Annual Report.

iv. Alternatively member may send an e-mail request at the email id rta@abhipra.com along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of Share Certificate in case of physical folio for sending the Notice of AGM, Annual Report and the e-voting instructions.

OTHER INSTRUCTIONS

a. A person who is not a Member as on the Cut-off Date should treat this Notice for information purposes only. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the Cut-off Date i.e. Wednesday, August 02, 2023 only shall be entitled to avail the facility of remote e-voting or for participation at the AGM and e-voting thereat.

b. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of www.evoting.nsdl.com or contact Ms. Soni Singh (1800 1020 990/ 1800 224 430).

c. You can also update your mobile number and e-mail id in the user profile details to get e- voting confirmation and which may be used for further communications.

By order of the Board of Directors
For **Orchid Pharma Limited**
Sd/-

Place: Gurugram
Date: July 12, 2023

Manish Dhanuka
Managing Director
DIN: 00238798

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OFTHE 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 12, 2023

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 10, 2023 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 Segment (Bulk Drugs & Formulations) for the Financial Year 2023-2024.

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. 2,50,000/- (Rupees Two Lakhs and fifty thousand 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 2023-2024 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 10, 2023.

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.

The Board of Directors of the Company recommends passing of the Ordinary Resolution set out in Item No. 3 to the shareholders of the Company.

Item No. 4 – Shifting of Registered office from Chennai to Alathur of the company

Presently, the registered office of M/s Orchid Pharma Limited ("**Company**") is located at "Orchid Towers", 313, Valluvar Kottam High Road Nungambakkam Chennai - 600034. The Board of Directors of your Company at their meeting held on July 12, 2023 has approved and proposed the shifting of Registered Office of the Company from **'Orchid Towers, 313, Valluvar Kottam High Road Nungambakkam Chennai – 600034 Tamil Nadu'** within the jurisdiction of Registrar of Companies Chennai, (ROC-Chennai) to **Plot Nos. 121-128, 128A-133, 138-151, 159-164, SIDCO Industrial Estate, Alathur, Chengalpattu District- 603110, Tamil Nadu** within the jurisdiction of Registrar of Companies Chennai, (ROC-Chennai), to carry on the business of the Company more economically and efficiently and with better operational convenience.

As per provisions of sections 12 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, shifting of Registered Office of the Company outside the local limits but within the same State and under within the same jurisdiction of Registrar of Companies Chennai, (ROC-Chennai), requires approval of the Members by way of Special Resolution Therefore the Board recommends the Resolution as set out in Item No. 4 for approval of the Members as Special Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No. 4 of the Notice.

The Board of Directors of the Company recommends passing of the Special Resolution set out in Item No. 4 to the shareholders of the Company.

Item No. 5 – Approval for Material Related Party Transactions with M/s Otsuka Chemicals (India) Private Limited

Pursuant to the Provisions of Section 188 of the Companies Act, 2013 ("the Act"), read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules'), the Company is required to obtain consent of the Board of Directors and prior approval of the members by way of Ordinary resolution, in case certain transactions with related parties exceeds such sum as specified in the said Rules. The aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and on arm's length basis.

However, pursuant to Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') approval of the members through resolution passed at General Meeting is required for all Material related party transactions, even if they are entered into in the ordinary course of business and on arm's length basis. For this purpose, a transaction is considered material, if the transaction/transactions to be entered into individually or taken together with previous transactions during a Financial Year exceeds rupees one thousand crore or10% of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company, whichever is lower.

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 and member 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 proposed RPTs with Otsuka will help the Company achieve economies of scale and will be in the best interest of the members.

However, the estimated value of transaction in respect of transactions with M/s. Otsuka Chemicals (India) private Limited for the financial year 2023-24 is likely to exceed 10% of the annual consolidated turnover of the Company as per the last Audited financial statements of the Company or Rs.1000 Crores, whichever is lower and may exceed the materiality threshold as prescribed under Regulation 23 of the Listing Regulations. Thus, these transactions would require the prior approval of the Members by way of Resolution at the General Meeting and therefore approval of the Members is sought to enable the Board for entering into new/further contracts/ arrangements/ agreements/ transactions (including any modifications, alterationfor the financial year ended 2023-2024 subject to the limits mentioned in the table below. The value of Related Party transactions with Otsuka Chemicals (India) Private Limited for the period commencing from April 01, 2023 till the date of this Notice has not exceeded the materiality thresholds and the Company will ensure that the same does not exceed the aforesaid threshold upto the date of the 30th AGM, i.e. August 09, 2023.

The relevant information pertaining to transactions with Otsuka as required under Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended and SEBI circular vide. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 is given below:

Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	
Name of the related party	M/s. Otsuka Chemicals (India) Private Limited
Name of the director or Key Managerial Personnel who is related, if any;	Shri Mridul Dhanuka, Whole Time Director, is relative of Mr. Manish Dhanuka
Nature of relationship	Shri Manish Dhanuka is a Director and Member in M/s. Otsuka Chemicals (India) Private Ltd. Shri Mridul Dhanuka is a Member of M/s. Otsuka Chemicals (India) Private Ltd.
Aggregate maximum value of the contract/ arrangement per transaction in any financial year	Aggregate Upto Rs. 250 Crores (Rupees Two hundred and fifty Crores Only) for the financial year 2023-2024
Nature, type, material terms, monetary value and particulars of the contract or arrangements	The proposed transactions relate to supply of raw material which shall be governed by the Company's Related Party Transaction Policy and shall be approved by the Audit Committee within the overall limits approved by the Members.
Tenure of the proposed transaction	Contracts/arrangements with a duration upto 1 year
Any other information relevant or important forthe members to take a decision on the proposed resolution.	All the transactions are on recurring basis and on arm's length basis and in the ordinary course of business. The transactions are based on Purchase Orders issued from time to time.
The percentage of the Orchid's 's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	37.54%
Justification as to why the RPT is in the interest of the listed entity;	The details are provided in the foregoing paragraphs
Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;	26.59 %
A copy of the valuation or other external party report, if any such report has been relied upon	The transactions do not contemplate any valuation.
Where the transaction relates to any loans, intercorporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details specified under point4(f) of the aforesaid circular	Not Applicable

As per Listing Regulations, all entities falling under the definition of Related Parties shall not vote to approve the relevant transaction irrespective of whether the entity is a party to the particular transaction or not and accordingly the Promoters shall not vote on the resolutions set out at Item No.5.

Except for Mr. Manish Dhanuka, Managing Director (Director on Board & Member of M/s. Otsuka Chemicals (India) Private Limited) and Mr. Mridul Dhanuka, Whole Time Director (Member of M/s. Otsuka Chemicals (India) private Limited) and their relatives, None of the Directors and Key Managerial Personnel or their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution except may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company, if any. The said transaction(s)/contract(s)/arrangement(s) have been recommended by the Audit Committee. The Board considers that the proposed related party transactions with M/s. Otsuka Chemicals (India) Private Limited play a significant role in the Company's business operations and accordingly the Board recommends the Ordinary Resolution as set out in Item No. 5 of this Notice for approval of the Members. This Explanatory statement may also be regarded as a disclosure under SEBI (LODR) Regulations, 2015.

Item No. 6. : To Approve the limit of managerial remuneration payable to Shri Manish Dhanuka (DIN: 00238798), Managing Director of the Company

Pursuant to the implementation of the approved Resolution plan, the Board of Directors of M/s Orchid Pharma Limited was reconstituted on March 31, 2020 with four (4) Additional Directors. Shri Manish Dhanuka was inducted as Additional Director on the Board of the Company with effect from March 31, 2020.

Further, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on June 29, 2020 and the members of the Company in the Annual General Meeting held on December 30, 2020 passed Ordinary Resolution and approved the appointment of Shri Manish Dhanuka as the Managing Director of the Company for the period commencing from June 29, 2020 to February 27, 2025 whose office shall not be liable to determination by retirement of directors by rotation on such terms and conditions and remuneration as were set out in the resolution.

The details of remuneration of Mr. Manish Dhanuka, Managing Director are as under:

A. Salary: Rs. 5 Lakhs (Rupees Five Lakhs only) per month from June 29, 2020. The Board of Directors has also approved the increment in the Salary of Shri Manish Dhanuka by 10% of fixed salary every year.

B. Commission: Commission at 2% of Cash profit of the Company for each financial year

C. Perquisites and Allowances: In addition to the Salary, Shri Manish Dhanuka shall be entitled to the following perquisites and allowances.

- **I.** Furnished accommodation or House Rent Allowance (HRA) in lieu thereof and house maintenance allowance (Gas, Electricity, Water, Repairs, Security, etc.) thereof.
- **ii.** One Company maintained Car with reimbursement of Driver's salary
- **iii.** Reimbursement of Medical Expenses/Medical Insurance Premium incurred for self and his Family
- **iv.** Leave Travel Concession - For self and his family once in a year incurred in accordance with the Rules of the Company
- **v.** Personal Accident Insurance premium.
- **vi.** Ex-gratia, Bonus & Incentive - In accordance with the Rules and discretion of the Trustees of the Fund/Board of Directors
- **vii.** Any other perquisite or allowance as may be agreed to by the Board of Directors and the Managing Director.

The Salary, Commission, Perquisites & Allowances all put together as mentioned in A, B and C above is subject to the overall limits prescribed under the provisions of Companies Act, 2013.

D. Other Benefits:-

Apart from "A", "B" and "C" above, Shri Manish Dhanuka, Managing Director would be entitled for the following benefits as per the rules and regulations of the company, which would not be considered for computing the overall limits under the provisions of Companies Act, 2013.

- **i.** Company's Contribution to Provident Fund, Super-annuation Fund or Annuity Fund or any other Fund as per the Rules and Regulations of the Company.
- **ii.** Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- **iii.** Encashment of leave as per the Rules of the Company

Note:- I. For the purpose of calculating the overall limits under the provisions of Companies Act, 2013, perquisites shall be evaluated as per Income-tax Rules, 1962, wherever applicable. In the absence of such Rules, perquisites shall be evaluated at actual cost.

II. For the purposes of perquisites, "family" means spouse, dependent children and dependent parents of Shri Manish Dhanuka.

Other Terms: -Subject to the direction, control and superintendence of the Board of Directors and service rules of the Company, Shri Manish Dhanuka shall have the responsibility for the overall management of the affairs of the Company and shall perform such duties and exercise such powers as are entrusted to or conferred upon him by the Board, in the best interests of the Company.

The remuneration i.e., Salary, Commission, Perquisites and Allowances and other benefits of Shri Manish Dhanuka has been fixed in accordance with Part II, Section II, of the Schedule V of the Companies Act, 2013 (Remuneration payable by companies having no profit or inadequate profit in certain special circumstances) which states that the Company in relation to which a resolution plan has been approved by the National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016, may pay any remuneration to its managerial persons, for a period of five years from the date of such approval and the explanatory statement has been given accordingly.

Subject to the provisions of sections I to IV of Schedule V of the Companies Act, 2013, a managerial person shall draw remuneration from one or both companies, provided that the total remuneration drawn from the companies does not exceed the higher maximum limit admissible from any one of the companies of which he is a managerial person.

However, in accordance to Section 197 read with Part II Section II of the Schedule V of Companies Act 2013, remuneration may be paid in excess of the limit prescribed to Mr. Manish Dhanuka, Managing Director, subject to approval of the shareholders by means of Special Resolution.

Therefore, the Board of Directors at its meeting held on July 12, 2023 considered and recommends the proposal to obtain Special Resolution from the members of the Company on the matter.

Further, all terms and conditions of his appointment remains the same for his remaining tenure.

Shri Manish Dhanuka and Shri Mridul Dhanuka are deemed to be interested in the resolution.

Item No. 7. : To Approve the limit of managerial remuneration payable to Shri Mridul Dhanuka (DIN: 00199441), Whole-Time Director of the Company

Pursuant to the implementation of the approved Resolution plan, the Board of Directors of M/s Orchid Pharma Limited was reconstituted on March 31, 2020 with four (4) Additional Directors. Shri Mridul Dhanuka was inducted as Additional Director on the Board of the Company with effect from March 31, 2020.

Further, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on June 29, 2020 and the members of the Company in the Annual General Meeting held on December 30, 2020 approved the appointment of Shri Mridul Dhanuka as the Whole-Time Director of the Company, for the period commencing from June 29, 2020 to February 27, 2025 whose office shall be liable to determination by retirement of directors by rotation on such terms and conditions and remuneration as were set out in the resolution.

The details of remuneration of Mr. Mridul Dhanuka, Whole-Time Director are as under:

A. **Salary -** Rs. 5 Lakhs (Rupees Five Lakhs only) per month from June 29, 2020. The Board of Directors has also approved the increment in the Salary of Shri Mridul Dhanuka by 10% of fixed salary every year.

B. **Commission:** Commission at 2% of Cash profit of the Company for each financial year

C. **Perquisites and Allowances:**- In addition to the Salary, Shri Mridul Dhanuka shall be entitled to the following perquisites and allowances.:

i. Furnished accommodation or House Rent Allowance (HRA) in lieu thereof and house maintenance allowance (Gas, Electricity, Water, Repairs, Security, etc.) thereof.

ii. One Company maintained Car with reimbursement of Driver's salary

iii. Reimbursement of Medical Expenses/Medical Insurance Premium incurred for self and his Family

iv. Leave Travel Concession - For self and his family once in a year incurred in accordance with the Rules of the Company

v. Personal Accident Insurance premium.

vi. Ex-gratia, Bonus & Incentive - In accordance with the Rules and discretion of the Trustees of the Fund/Board of Directors

vii. Any other perquisite or allowance as may be agreed to by the Board of Directors and the Managing Director.

The Salary, Commission, Perquisites & Allowances all put together as mentioned in A, B and C above was subject to the overall limits prescribed under the provisions of Companies Act, 2013.

D. **Other Benefits:-**

Apart from "A", "B" and "C" above, Shri Mridul Dhanuka, Whole-time Director would be entitled for the following benefits as per the rules and regulations of the company, which would not be considered for computing the overall limits under the provisions of Companies Act, 2013.

I. Company's Contribution to Provident Fund, Super-annuation Fund or Annuity Fund or any other Fund as per the Rules and Regulations of the Company.

II. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

III. Encashment of leave as per the Rules of the Company

Note:- I. For the purpose of calculating the overall limits under the provisions of Companies Act, 2013, perquisites shall be evaluated as per Income-tax Rules, 1962, wherever applicable. In the absence of such Rules, perquisites shall be evaluated at actual cost.

II. For the purposes of perquisites, "family" means spouse, dependent children and dependent parents of Shri Mridul Dhanuka.

Other Terms: - Subject to the direction, control and superintendence of the Board of Directors and service rules of the Company, Shri Mridul Dhanuka shall have the responsibility for the overall management of the affairs of the Company and shall perform such duties and exercise such powers as are entrusted to or conferred upon him by the Board, in the best interests of the Company.

The remuneration i.e., Salary, Commission, Perquisites and Allowances and other benefits of Shri Mridul Dhanuka has been fixed in accordance with Part II, Section II, of the Schedule V of the Companies Act, 2013 (Remuneration payable by companies having no profit or inadequate profit in certain special circumstances) which states that the Company in relation to which a resolution plan has been approved by the National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016, may pay any remuneration to its managerial persons, for a period of five years from the date of such approval and the explanatory statement has been given accordingly.

Subject to the provisions of sections I to IV of Schedule V of the Companies Act, 2013, a managerial person shall draw remuneration from one or both companies, provided that the total remuneration drawn from the companies does not exceed the higher maximum limit admissible from any one of the companies of which he is a managerial person.

However, in accordance to Section 197 read with Part II Section IIof the Schedule V of Companies Act 2013, remuneration may be paid in excess of the limit prescribed to Mr. Mridul Dhanuka, Whole Time Director, subject to approval of the shareholders by means of Special Resolution.

Therefore, the Board of Directors at its meeting held on July 12, 2023 considered and recommends the proposal to obtain Special Resolution from the members of the Company on the matter

Further, all terms and conditions of his appointment remains the same for his remaining tenure.

Shri Manish Dhanuka and Shri Mridul Dhanuka are deemed to be interested in the resolution.

Disclosure Required under Schedule V, Part II, Section II of Companies Act 2013

General Information:

a) **Nature of industry**: The Company is an active pharmaceutical ingredients ("API") manufacturing Company with the widest portfolio of cephalosporin APIs along with a few veterinary products.

b) **Date of commencement of commercial production**: July, 1992

c) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable

d) Financial performance based on given indicators:

Particulars	Year ended Year 31.03.2023	Year ended 31.03.2022
Sales & Operating Income	665.90	556.97
Other Income	19.43	9.00
Total Expenditure	582.28	499.72
Gross Profit /(Loss)	103.05	66.26
Interest & Finance Charges	32.22	32.01
Gross Profit after Interest but before Depreciation and Taxation	70.83	34.25
Depreciation	54.79	87.02
Profit / (Loss) before Tax, and extraordinary items	16.04	(52.77)
Exceptional items – [Income / (Expenditure)]	39.21	-
Profit / (Loss) Before Tax	55.25	(52.77)
Current & Deferred Tax	-	-
Profit /(Loss) after Tax - Continuing Operations	55.25	(52.77)
Profit / Loss from discontinued operations after tax	(1.06)	47.96
Profit/Loss for the year	54.19	(4.81)
Re-measurement of post-employment benefit obligations	(0.23)	1.46
Gain /(Loss) on fair valuation of the Investments	0.05	(0.04)
Comprehensive Profit/ Loss for the Year	54.01	(3.38)

e) Foreign investments or collaborations, if any:

The Company have six subsidiaries(including two steps down subsidiaries)located in USA, South Africa.

Information about the Managerial Personnel's:

a) Background details:

I. Mr. Manish Dhanuka began his career at Ranbaxy Labs Ltd. in New Delhi and worked there for 5 years. His vision and strategy to grow the Pharmaceutical industry in the Indian subcontinent, have helped the Dhanuka Group of companies enhance its Bulk Drugs manufacturing arm exponentially. Further Mr. Dhanuka established Dhanuka Laboratories Ltd. in 1993.

II. Mr. Mridul Dhanuka, Whole Time Director, is responsible for driving strategic initiatives at Orchid Pharma. He is entrusted with supporting the future forward journey of Orchid Pharma owing to his ground-level understanding of the business and industry landscape. Since takeover of Orchid by Dhanuka Group, Mr. Mridul Dhanuka has successfully realigned the entire supply chain vertical at Orchid Pharma. With a razor focus on improving the cost competitiveness and efficiency of entire operations, he has been able to make the business profitable from the 1st year itself.

b) Past remuneration:

During the financial year ended March 31, 2023, the details of remuneration paid to Mr. Manish Dhanuka and Mr. Mridul Dhanuka are follows:

Amount in INR

Name and Designation of the Director	Remuneration (During FY 2022-23)
Shri Manish Dhanuka, Managing Director	1,18,10,503.00
Shri Mridul Dhanuka, Whole Time Director	1,18,10,503.00

c) Recognition and Awards: Not Applicable

d) Job profile Suitability:

I. Mr. Manish Dhanuka has 30 years of rich experience in Research & Development and Manufacturing in the pharmaceutical industry with the expertise in innovative pharmaceutical technologies. He excels in creating economical Pharmaceutical processes, project implementation and production technologies. His wide-ranging experience of handling operations, commercial, marketing and finance in the manufacturing industry provides for his analytical and decision making skills have resulted in fast turnaround of the company with improvement in profit. Before establishing Dhanuka Laboratories Ltd. in 1993, he began his career at Ranbaxy Labs Ltd. in New Delhi and worked there for 5 years. His vision and strategy to grow the Pharmaceutical industry in the Indian subcontinent, have helped the Dhanuka Group of companies enhance its Bulk Drugs manufacturing arm. He spearheaded the acquisition of Synmedic Laboratories in the year 2013 which is involved in pharmaceutical formulations. This entrepreneurial vigor enabled him to take over the operations of Orchid Pharma Ltd. in March 2020. Shri Manish Dhanuka has the vision to rejuvenate Orchid Pharma Ltd. and take it on a growth trajectory.

II. Mr. Mridul Dhanuka, Whole Time Director, is responsible for driving strategic initiatives at Orchid Pharma. He is entrusted with supporting the future forward journey of Orchid Pharma owing to his ground-level understanding of the business and industry landscape. Since takeover of Orchid by Dhanuka Group, Mr. Mridul Dhanuka has successfully realigned the entire supply chain vertical at Orchid Pharma. With a razor focus on improving the cost competitiveness and efficiency of entire operations, he has been able to make the business profitable from the 1st year itself.

Mr. Mridul Dhanuka is a Chemical Engineer with a Master's in Business Administration. He has been working with the Dhanuka Group since 2005. He is an avid reader, traveler and fitness enthusiast.

e) Remuneration proposed:

Proposed remuneration of Mr. Manish Dhanuka, Managing Director, and Mr. Mridul Dhanuka – Whole Time Director are mentioned in the resolution set out in the Notice.

f) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by Mr. Manish Dhanuka and Mr. Mridul Dhanuka, the remuneration proposed to be paid is commensurate with the remuneration packages paid to their similar counterparts in other companies.

g) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel:

I. Mr. Manish Dhanuka, Managing Director and Mr. Ram Gopal Agarwal, Chairman & Non-Executive Director are cousin brothers. Mr. Mridul Dhanuka, Whole Time Director, is nephew of Mr. Manish Dhanuka.

Except as stated above, Mr. Manish Dhanuka is not related to other Directors and Key Managerial Personnel of the Company.

II. Mr. Mridul Dhanuka is nephew of Mr. Ram Gopal Agarwal, Mr. Manish Dhanuka

Except as stated above, Shri Mridul Dhanuka is not related to other Directors and Key Managerial Personnel of the Company.

Other Information:

a) Reasons of loss or inadequate profits:

The Company was under CIRP process till 31st March, 2020. In last three years, the Company have turn around and come in profit. However the same is still inadequate.

b) Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:

The Company introducing new products and in process of adding new customers. At the same time to meet the increased demand Company is setting up new plant in its existing premises for increase production of sterile API. For the same, Company has been sanctioned a term loan of Rs. 50,00,00,000 (Rupees fifty Crores) from HDFC Bank Limited. The production for the same is expected to commence in financial year 2023-24.

c) Expected increase in productivity and profits in measurable terms:

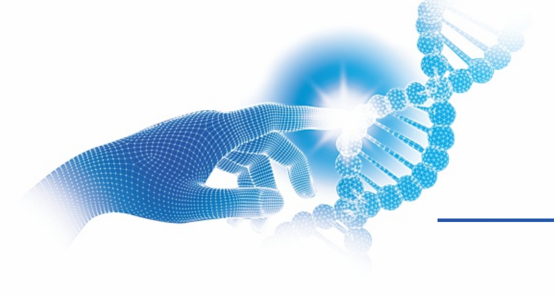
Company is expecting a growth around 20% on annual basis in next three years.

Annexure-1

DETAILS OF DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING IN ACCORDANCE WITH REGULATION 36 (3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS 2 (SS 2) ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

Shri Mridul Dhanuka Whole-Time Director

Particulars	
 **Shri Mridul Dhanuka** Whole-time Director	
Name , Age & Nationality of the Director	Shri Mridul Dhanuka(DIN: 00199441), 43 years, Indian.
Date of Birth	20.10.1980
Qualification	Mridul is a Chemical Engineer with a Master's in Business Administration.
Brief resume, expertise in specific functional areas	As the Whole Time Director, Mridul is responsible for driving strategic initiatives at Orchid Pharma. He is entrusted with supporting the future forward journey of Orchid Pharma owing to his ground-level understanding of the business and industry landscape. Since takeover of Orchid by Dhanuka Group, Mridul has successfully realigned the entire supply chain vertical at Orchid Pharma. With a razor focus on improving the cost competitiveness and efficiency of entire operations, he has been able to make the business profitable from the 1st year itself. Mridul is a Chemical Engineer with a Master's in Business Administration. He has been working with the Dhanuka Group since 2005. He is an avid reader, traveler and fitness enthusiast.
Date of first appointment On the Board	March 31, 2020
Nature of Expertise in specific functional area	
Listed Public Company where Mr. Mridul Dhanuka holds Directorship &Committee Membership	
Directorship	M/s. Dhanuka Agritech Limited - Non-Executive Director
Committee Membership	Nil
Unlisted Public Company where Mr. Mridul Dhanuka holds Directorship	
M/s. Dhanuka Laboratories Limited	Director
M/s. Orchid Bio Pharma Limited	Director
Chairman/ Member of the Committee of the Board of Director of the Company	Banking, Finance and Operations Committee – Member (w. e. f March 31,2020) Audit Committee – Member-(w. e. f March 31, 2020), Capital Restructuring Committee (w.e.f. December 01, 2022)



Particulars	
*Chairman/ Member of the Committee of the other companies in which he is a Director (Audit Committee and Stakeholder's Committee are only considered)	NIL
Number of Shares held in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Shri Mridul Dhanuka is nephew of Shri. Ram Gopal Agarwal, Shri. Manish Dhanuka. Except as stated above, Shri Mridul Dhanuka is not related to other Directors and Key Managerial Personnel of the Company
Resignation details in the listed entities during the last three years.	Nil
Terms and conditions of appointment along with details of remuneration sought to be paid	The matter regarding appointment of Shri Mridul Dhanuka was placed before the Nomination & Remuneration Committee, which recommends his appointment as Whole Time Director for a period commencing from June 29, 2020 to February 27, 2025 whose office shall be liable to determination by retirement of directors by rotation and the same was approved by the Board of Directors on the terms and conditions as enumerated in the resolution.
Note 1 – As on March 31, 2023, M/s Dhanuka Laboratories Limited holds 89.96% of shares in the Company where Shri Mridul Dhanuka, is a member. Shri Mridul Dhanuka is also one of the Significant Beneficial Owners of M/s Dhanuka Laboratories Limited.	

OrchidPharma
— A Dhanuka Group Company —

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