ANNUAL REPORT 2019-20

Orchid Pharma Ltd.

A Dhanuka Group Company

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and our other statements-written and oral- that we periodically make contain forward looking statements that set out anticipated results based on the management plans and the assumptions. We have tried wherever possible to identify such statements by using words such as ”anticipate”, “estimate”, “expects”, “projects”, “intends”, “plans”, “believes” and words of similar substance in connection with any decision of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, 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.

Corporate Information

Board of Directors

Shri Ram Gopal Agarwal, Chairman & Non-Executive Director
"appointed on 31.03.2020"

Shri Manish Dhanuka, Managing Director
"appointed on 31.03.2020"

Shri Mridul Dhanuka, Whole-time Director
"appointed on 31.03.2020"

Shri Arun Kumar Dhanuka, Non-Executive Director
"appointed on 31.03.2020"

Smt Tanu Singla, Independent Director
"appointed on 29.06.2020"

Dr Dharam Vir, Independent Director
"appointed on 29.06.2020"

Shri Mudit Tandon, Independent Director
"appointed on 29.06.2020"

Shri Manoj Kumar Goyal, Independent Director
"appointed on 29.06.2020"

Resolution Professional /Monitoring Agent

(Upto March 31, 2020)

Shri Ramkumar S V
(IP Registration No. IBBI/IPA-001/IP-P00015/2016-17/10039)

Management Team

Shri Sunil Kumar Gupta, Chief Financial Officer
Dr U P Senthilkumar, Senior Vice President-Process Research
Dr R J Sarangdhar, Unit Head – API & FDF (Senior General Manager)
Ms Nikita K, Company Secretary & Compliance Officer

Statutory Auditors

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

Cost Auditors

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

Secretarial Auditors

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

Registrar and Transfer Agents

Integrated Registry Management Services Pvt. Ltd.
2nd Floor, Kences Towers,
No. 1, Ramakrishna Street, North Usman Road,
T. Nagar, Chennai- 600 017, Tamil Nadu
Ph. : +91-44-2814 0801 Fax : +91-44-28142479

Banks / Financial Institutions

State Bank of India
Union Bank of India

Board of Directors

Shri Ram Gopal Agarwal
Chairman &
Non-Executive Director

Shri Manish Dhanuka
Managing Director

Shri Arun Kumar Dhanuka
Non-Executive Director

Shri Mridul Dhanuka
Whole-time Director

Smt Tanu Singla
Independent Director

Dr Dharam Vir
Independent Director

Shri Manoj Kumar Goyal
Independent Director

Shri Mudit Tandon
Independent Director

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Board's Report

Dear Members,

In accordance with the applicable provisions of the Insolvency and Bankruptcy Code 2016 ("IBC/Code"), the Corporate Insolvency Resolution Process ("CIRP") of Orchid Pharma Limited, Corporate Debtor, ("Company") was initiated by an Operational Creditor of the Company. The Operational Creditor's petition to initiate the CIRP was admitted by the Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT") vide CP. No. CP/ 540/ (IB)/ CB/ 2017 on August 17, 2017 ("Insolvency Commencement Date"). CMA CS Rajasekaran R was appointed as the Interim Resolution Professional ("IRP") to manage the affairs of the Company. Subsequently, Shri Ramkumar Sripatham Venkatasubramanian (IP Registration No. IBBI /IPA- 001 /IP-P00015 /2016-17 /10039) was confirmed as the Resolution Professional ("RP") by the Committee of Creditors ("CoC") and NCLT with effect from October 27, 2017. On appointment of the IRP /RP, the powers of the Board were suspended and the same vested with the RP.

The Hon'ble NCLT had approved the Resolution plan of Ingen Capital Group LLC, USA ("Resolution Applicant") approved by the Committee of Creditors (CoC) vide its order dated September 17, 2018. Later, the Resolution Applicant had failed to infuse the funds within the stipulated timelines. The Resolution Applicant was unable to bring the amount payable to the Financial Creditors as directed by the Hon'ble NCLT vide its orders dated September 17, 2018, October 10, 2018 & November 02, 2018. An appeal was preferred by this Resolution Applicant at the National Company Law Appellate Tribunal ("NCLAT") and NCLAT heard the applications and the matter was remitted back to the Hon'ble NCLT Chennai to consider any other viable plan, if available. It stated that it was also open to the RP to place the Resolution Plan before CoC and thereafter before the Adjudicating Authority for necessary orders.

Based on the above directives, the Hon'ble NCLT, Chennai vide its Order dated February 28, 2019 issued the following directions:

- The approved resolution plan of Ingen Capital Group LLC vide Hon'ble NCLT's order dated 17th September 2018 has been annulled as the resolution applicant has failed to implement the approved resolution plan and
- Provided further time of 105 days of CIRP period to the Corporate Debtor and also directed that the RP and CoC will discharge their functions as before during the CIRP period.

Pursuant to the order of the Hon'ble NCLT dated 28th February 2019, the RP invited Expression of Interest (EOI). The RP on March 04, 2019 invited expressions of interest and submission of a resolution plan in accordance with the provisions of the Code. The last date for submission of EOI was March 19, 2019, which further was extended upto March 25, 2019, after approval of CoC. The RP / Bid Process Advisor briefed the CoC members on the list of eligible EOI applicants and the list of ineligible EOI applicants.

The Resolution Professional (RP) had received 3 (three) resolution plans from prospective resolution applicants for resolution of the Corporate Debtor. The resolution plans were opened and were found to be compliant with Section 29A of the Insolvency and Bankruptcy Code. The RP, Bid Process Advisor and Committee of Creditors (CoC) had discussed in detail about the resolution plans received and the timeline for approval by CoC and the filing of approved resolution with the Hon'ble NCLT.

The CoC after considering the resolution plans received and after negotiating with the three resolution applicants decided to declare the H 1 Bidder on May 30, 2019. The CoC approved the resolution plan submitted by M/s. Dhanuka Laboratories Limited (DLL).

Based on the legal advice and with the approval of CoC, the RP filed the Resolution Plan with the Hon'ble NCLT on June 13, 2019 for consideration and prayed for passing necessary orders. The Resolution plan submitted by Dhanuka Laboratories Limited ("Resolution Applicant") and as approved by the CoC, was approved at the hearing held on June 25, 2019 by the Hon'ble NCLT, Court-II, Chennai Bench (NCLT) vide its order dated June 27, 2019.

Thereafter, one of the unsuccessful bidder filed an application before the Hon'ble NCLT seeking to consider his Resolution plan by the RP and COC which was dismissed by the Hon'ble NCLT, Chennai Bench on June 27, 2019. Pursuant to the said order of dismissal, the Said Unsuccessful bidder preferred an appeal before the Hon'ble NCLAT, and the Hon'ble NCLAT, New Delhi stayed the order dated June 27, 2019 passed by the Hon'ble NCLT, Chennai. The Hon'ble NCLAT on November 13, 2019 set aside the order passed by the Hon'ble NCLT, Chennai approving the Resolution plan and remitted the matter back to Hon'ble NCLT, Chennai for decision in accordance with law.

However, one of the financial creditor filed an appeal against the Order dated November 13, 2019 of the Hon'ble NCLAT before the Hon'ble Supreme Court of India. After hearing the matter, a final Order was passed by the Hon'ble Supreme Court of India on February 28, 2020 and it upheld the NCLT Order dated June 27, 2019 and this paved way for the implementation of the Resolution Plan submitted by DLL.

Post the Acquisition, a new Board was constituted on March 31, 2020 ("Reconstituted Board" or "Board") and a new management has been put in place. In accordance with the provisions of the Code and the NCLT & Supreme Court of India Orders, the approved resolution plan is binding on the Company and its employees, members, creditors, guarantors and other stakeholders involved.

Members may kindly note that, the Directors of the Reconstituted Board **("Directors")** were not in office for the period to which this report pertains. During the CIRP Period (i.e. between August 17, 2017 to March 31, 2020) at various stages the IRP /RP /CoC /Monitoring Agent /Monitoring Committee were entrusted with the management of the affairs of the Company. Prior to the Insolvency Commencement Date, the erstwhile Board of Directors had the oversight on the management of the affairs of the Company.

The Reconstituted Board is submitting this report in compliance with the provisions of the Companies Act, 2013, the rules and regulations framed thereunder **("Act")** and the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements), Regulations, 2015 **("Listing Regulations").** The Reconstituted Board is not to be considered responsible to discharge fiduciary duties with respect to the oversight on financial and operational health of the Company and performance of the management for the period prior to the reconstitution of the Board /Acquisition.

Members are requested to read this report in light of the fact that the reconstituted Board and the new Management, inter alia, are in the process of implementing the approved resolution plan.

With this backdrop, the reconstituted Board of Directors presents to the Members the 27th Annual Report of your Company, which includes the Directors' Report, Audited Statement of Accounts (Standalone and Consolidated) for the financial year ended March 31, 2020.

Financial summary / Performance / State of Company's affairs

The Highlights of the standalone and consolidated financial results for the financial year 2019-20 as per the IND AS are given below:-

IND-AS (₹ Crores)

Particulars	Standalone		Consolidated	
	Year ended 31.03.2019	Year ended 31.03.2020	Year ended 31.03.2019	Year ended 31.03.2020
Sales & Operating Income	583.65	505.45	599.98	508.04
Other Income	16.93	24.49	16.93	24.49
Total Expenditure	596.34	549.72	618.20	533.52
Gross Profit /(Loss)	4.24	(19.78)	(1.29)	(0.99)

Particulars	Standalone		Consolidated	
	Year ended 31.03.2019	Year ended 31.03.2020	Year ended 31.03.2019	Year ended 31.03.2020
Interest & Finance Charges	0.30	4.16	0.30	4.16
Gross Profit after Interest but before Depreciation and Taxation	3.94	(23.94)	(1.59)	(5.15)
Depreciation	129.93	125.90	129.94	125.92
Profit / (Loss) before Tax, and extraordinary items	(125.99)	(149.84)	(131.53)	(131.07)
Exceptional items – [Income / (Expenditure)]	24.94	-	200.93	-
Profit / (Loss) Before Tax	(101.05)	(149.84)	69.40	(131.07)
Current & Deferred Tax	-	-	-	-
Profit /(Loss) after Tax	(101.05)	(149.84)	69.40	(131.07)
Other Comprehensive Income (OCI)	0.90	(1.89)	0.90	(1.89)
Gain /(Loss) on fair valuation of the Investments	-	(0.13)	-	(0.13)
Comprehensive Loss for the Year	(100.15)	(151.86)	70.31	(133.09)

Standalone Financials

During the financial year 2019-20, your Company achieved a turnover and operating income of Rs. 505 crores (Rs. 584 crores in 2018-19). The Gross Loss before interest, depreciation and taxes during the year stood at Rs. 19.78 crores against a Gross Profit of Rs. 4.24 crores in 2018-19.

After providing for interest expense, depreciation, exceptional item, the Loss before tax of the Company for the year was Rs. 149.84 Crores against Rs. 101.05 crores in 2018-19. The Comprehensive Loss stood at Rs. 151.86 crores during 2019-20 against Rs. 100.15 crores in 2018-19.

Consolidated Financials

During the financial year 2019-20, your Company achieved a turnover and operating income of Rs. 508 crores (Rs. 600 crores in 2018-19). The Gross Loss before interest, depreciation and taxes during the year stood at Rs. 0.99 crores against a Gross Loss of Rs. 1.29 crores in 2018-19.

After providing for interest expense, depreciation, exceptional item, the Loss before tax of the Company for the year was Rs. 131.07 Crores against a Profit of Rs. 69.40 crores in 2018-19. The Comprehensive Loss stood at Rs. 133.09 crores during 2019-20 against a Profit of Rs. 70.31 crores in 2018-19.

During the financial year 2019-20, your Company continued to reel under financial stress and the performance of the Company was affected due to liquidity constraints, which had an impact on the net profits of the Company. Despite the tough liquidity and working capital constraints, your Company managed to sustain standalone sales of Rs.505 crores but could not achieve gross margins due to the reduced turnover.

As stated earlier, your Company was under the Corporate Insolvency Resolution Process (CIRP) as per IBC 2016 for a period of 32 months upto March 31, 2020. During this transition period, your Company has been extremely fortunate to have the full support of its Financial Creditors, Employees, Vendors, Customers and various Service Providers. Though there was COVID 19 pandemic and lock down situation in the entire country, the resolution applicant, the Resolution Professional and the financial creditors (CoC Members) of your Company put their best efforts to implement the Plan well within the timelines. DLL, the resolution applicant brought in and infused the entire funds into the Company as envisaged in the Resolution Plan within a period of a month from the receipt of the Order of the Hon'ble Supreme Court of India.

Members may note and it is pertinent to reiterate that the approved Resolution Plan is binding on the Company and its employees, members, creditors, guarantors and other stakeholders involved. Contravention of any provisions of the Approved Resolution Plan may attract penal consequences in accordance with the provisions of the Code. Accordingly, the Company will be taking measures towards ensuring a smooth implementation of the Approved Resolution Plan.

Besides the above, to the best of the knowledge of your Board, there seems to have been no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations.

However, attention of the Members is drawn to the statement on Provisions, Contingent Liabilities and Contingent Assets appearing in the Note no. 45 of Standalone financial statement and Note no. 39 of Consolidated financial statement for the financial year 2019-2020.

CAPEX AND LIQUIDITY

During the year, the Company has spent Rs. 3.37 crores on Plant & Equipment, etc, largely towards balancing facilities and essential sustenance capital items.

During the year under review, the banking facilities provided by the Financials Creditors were frozen and no headroom was available for managing the operations as the Company was under the CIRP period.

Your Company has availed a long-term secured financial facility of Rs. 427 crores and a short-term secured financial facility of Rs. 50 crores.

Implementation of the Resolution Plan

The Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT") vide its order dated June 25/27, 2019, the Hon'ble National Company Law Appellate Tribunal vide its Order dated November 13, 2019 and the Hon'ble Supreme Court vide its Order dated February 28, 2020 (received on March 02, 2020) has approved the resolution plan ("Resolution Plan") of DLL under MA /579 /2019 in CP /540 /IB /2017 in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016.

In accordance with the approved resolution plan, the following matters have been discussed and approved by the members of the Monitoring Committee of your Company at a meeting held on ~ March 30, 2020 (prior to effective date).

a) Capital Reduction and Consolidation

The existing issued, subscribed and paid-up equity share capital of OPL has been reduced from INR 88,96,43,270/- (Rupees Eighty Eight Crores Ninety Six Lakhs Forty Three Thousand Two Hundred Seventy only) consisting of 8,89,64,327 (Eight Crore Eighty Nine Lakhs Sixty Four Thousand Three Hundred Twenty Seven) equity shares of INR 10 (Rupees Ten only) each to INR 40,81,640 /- (Rupees Forty Lakhs Eighty One Thousand Six Hundred Forty only) consisting of 4,08,164 (Four Lakh Eight Thousand One Hundred Sixty Four) equity shares of INR 10 (Rupees Ten only), thereby cancelling and extinguishing 8,85,56,163 equity shares of Rs. 10/- each.

b) Issue of shares to eligible Secured Financial Creditors

Approved the issue of 4,08,164 Equity Shares of Rs.10 each at an issue price of Rs. 10 each (fully paid) to eligible secured Financial Creditors for the conversion and settlement of part of their Debt and accordingly 4,08,164 (Four lakhs eight thousand one hundred sixty four) equity shares at 10/- per share were allotted to secured eligible financial creditors on conversion of their existing loan to the extent of the shares allotted to them. Further the balance debts of Rs.3398.21 crores of eligible secured financial creditors were settled in the manner provided in the Approved Resolution Plan.

c) Issue of Non-convertible Debentures

Approved the issue of Zero Percent Non-convertible, Non-marketable, Cumulative Redeemable Debentures of value Rs.3650 crores (NCDs) to Dhanuka Pharmaceuticals Private Limited (SPV formed by Dhanuka Laboratories Ltd) for subsuming equivalent outstanding debt of OPL by the SPV for consideration other than cash and accordingly your Company has issued "Zero Percent" Non-convertible, non-marketable, cumulative redeemable debentures of value Rs. 3650 crores (NCDs) to Dhanuka Pharmaceuticals Private Limited (SPV formed by Dhanuka Laboratories Ltd) for subsuming equivalent outstanding debt of your Company by the SPV for consideration other than cash.

In furtherance of the above corporate actions, the following matters have been discussed and approved by the members of the Monitoring Committee of your company at a meeting held on ~ March 31, 2020 (effective date).

d) Issue of 10,000 equity shares of Rs. 10/- each pursuant to Scheme of Amalgamation and increase in Authorized Capital of the Company

Pursuant to the Scheme of Amalgamation of Dhanuka Pharmaceuticals Private Limited (SPV) with and into your Company on March 31, 2020, as per the resolution plan as approved by NCLT, 10,000 equity shares of Rs. 10/- each have been allotted to M/s. Dhanuka Laboratories Limited (sole shareholder of Dhanuka Pharmaceuticals Private Limited) and the Authorised Capital of the Company stood increased to Rs. 150.01 crores comprising of 15,00,10,000 equity shares of Rs. 10 each.

e) Issue of 3,99,90,072 equity shares of Rs. 10/- each to Dhanuka Laboratories Limited and acquisition of control of the Company by Dhanuka Laboratories Limited

Pursuant to the NCLT Order and approved resolution plan 3,99,90,072 (Three Crore ninety nine lakhs ninety thousand and seventy two) equity shares at 10/- per share for cash was allotted to Dhanuka Laboratories Limited **("DLL").** Pursuant to the allotment, DLL holds 98% of the paid-up capital of the Company and are to be classified as the Promoter of the Company. Further, the erstwhile Promoters would be re-classified as retail shareholders.

f) Issue of Zero Coupon, unsecured and non-marketable Optionally Convertible Debentures

Approved the issue of 14,300 Zero Coupon, unsecured and non-marketable Optionally Convertible Debentures of Rs. 1,00,000/- each aggregating to Rs. 143 crores (Rupees One Hundred and forty three crores) to DLL **("the Resolution Applicant")** as per the approved Resolution Plan on Private Placement basis.

g) Reconstitution of the Board of Directors

Consequent to the approved resolution Plan all the existing Directors were deemed to have vacated/resigned from their office. Post the Acquisition, a new Board was constituted consisting of Shri Ram Gopal Agarwal, Shri Manish Dhanuka, Shri Arun Kumar Dhanuka and Shri Mridul Dhanuka as Additional Directors who are nominees of the Resolution Applicant namely M/s. Dhanuka Laboratories Limited.

h) Re-classification of erstwhile promoters

Your Company would be making and submitting an application to the stock exchanges where its securities are listed, for reclassifying a) Shri K Raghavendra Rao, Smt. R Vijayalakshmi and their relatives and b) Orchid Healthcare Private Limited (collectively referred to as the "Erstwhile Promoter Group") as public shareholders under Regulation 31A of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and classifying Dhanuka Laboratories Limited ~ the resolution applicant ~ as the Promoters.

Effects of implementation of Resolution Plan

Your Company has become a subsidiary of M/s. Dhanuka Laboratories Limited, Gurgaon, India with effect from March 31, 2020 pursuant to the allotment of 4,00,00,072 Equity Shares of Rs. 10 each (fully paid) in accordance with the approved Resolution Plan which would be 98% of the Issued, Subscribed and Paid-up Capital of OPL.

The financial impact of the implementation of the Resolution Plan are provided in detail in the Note no. 52 of Standalone Financial statements and Note no. 48 of Consolidated Financial statements for the Financial year 2019-20.

Future Outlook

Huge efforts are required towards regaining the confidence of various Stakeholders and rebuilding the organisation to greater heights. With the implementation of the Resolution Plan, your Company is hopeful and confident of accomplishing improved sales and EBIDTA during the course of time.

However, the current year, 2020-21, is going to be a crucial period for your Company as it has to reverse the direction of the downward curve by ramping up businesses and achieve sizeable growth.

The greatest challenge your Company is facing is to achieve growth and profit margins, in spite of the COVID 19 pandemic situation, which was not envisaged when the resolution plan was submitted by DLL 20 months ago to the CoC /RP and to the Hon'ble NCLT.

The Board and the Management of your Company are committed and will put in their best efforts to turnaround your Company with optimum cost structure.

Management Discussion and Analysis report

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

Corporate Governance Report and Additional Shareholder's information

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

Audit Committee

The Audit Committee has been reconstituted on March 31, 2020 and again on June 29, 2020. More details about the Audit Committee and about other Committees of the Board are provided in the Corporate Governance section forming part of this Report.

Adequacy of Internal Financial Control System

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

Regulatory Filings and Approvals

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

In the European Union (EU) region, the cumulative count of Marketing Authorisation (MA) active approvals stood at 2 in the NPNC segment.

In the API (Active Pharmaceutical Ingredients) domain, Orchid's cumulative filings of US DMF stand at 76. The break-up of the total filings is 28 in the Cephalosporin Segment and 48 in NPNC segment. In European market space the cumulative filings of COS (Certificate of Suitability) count remained at 19 which includes 14 in cephalosporin segment and 5 in NPNC segment. In Japan market, the cumulative filings of JDMFs count remained at 7 all in Cephalosporin segment.

Intellectual Property Rights

The total number of active patent portfolio maintained by Orchid in various national and international Patent Offices so far was 196 including Process, Formulation, New Chemical Entities (NCE), Novel Drug Delivery System (NDDS), Biotech and Generics.

Out of total 196 patents, 173 patents have been granted, 17 patent applications have been published and 6 patent applications filed as of March 31, 2020.

Of the 174 patent applications for NCEs, 48 patent applications are active while 126 patent applications require restoration.

FDA Inspection

The cGMP standards across the globe are undergoing constant changes and your Company needs to be compliant with the current standards and good manufacturing practices throughout. This has resulted in increased compliance costs, which is inevitable.

During the year, API manufacturing facility located at Alathur, Tamil Nadu and FDF manufacturing facility located at Irrungattukottai, Tamil Nadu underwent inspection by US FDA regulatory agency. The inspection was successfully completed and later US FDA has issued Establishment Inspection Report (EIR) for both the facilities.

Dividend & Reserves

In view of the net loss incurred during the financial year ended March 31, 2020, the Board does not recommend any dividend to the shareholders of the Company. Also, no amount has been transferred to the reserves.

Employees Stock Option Plan

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

Subsidiaries

Bexel Pharmaceuticals Inc., USA (Bexel)

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

Orchid Pharmaceuticals Inc., USA

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

Diakron Pharmaceuticals Inc., USA

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

Orchid Europe Limited, United Kingdom

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

Orchid Pharmaceuticals (South Africa) Pty Ltd., South Africa

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

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

One of the Subsidiary Companies contributed 1.46% of the consolidated sales of the Company. The Company accesses the US market through this subsidiary and expects reasonable growth in the US market in the years to come either through its wholly owned subsidiary or directly. The R&D subsidiaries of the Company were used for carrying out Research & Development of selected molecules, having good potential. Your Company has a subsidiary for holding Product registrations and approvals in Europe. The Board and Management is reviewing the operations of all the subsidiaries of your Company and would take appropriate steps for the revival of its businesses based on cost-benefit analysis.

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.

Key Managerial Personnel

Shri L Chandrasekar, Executive VP-Finance and Secretary had retired from the services of the Company with effect from June 30, 2019. Further, the Resolution Professional appointed Ms. Nikita K as the Company Secretary and Compliance Officer of the Company with effect from March 05, 2020 and the appointment was subsequently ratified by the Monitoring Committee at their meeting held on March 30, 2020. Pursuant to the implementation of the approved Resolution Plan, the existing Board of Directors (Comprising of Shri K Raghavendra Rao, erstwhile Managing Director) are deemed to have vacated.

The reconstituted Board of Directors at their meeting held on June 29, 2020 appointed Shri. Manish Dhanuka as the Managing Director, Shri Mridul Dhanuka as the Whole Time Director and Shri Sunil Kumar Gupta as the Chief Financial Officer of the Company (Key Managerial Personnel under the Companies Act,2013).

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

The Board has been reconstituted pursuant to the implementation of the approved Resolution plan with effect from March 31,2020 and accordingly the captioned details are not applicable.

Extract of Annual Return

As per the amendments carried out by the Companies (Amendment) Act, 2017 in Section 92(3), 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. The extract of Annual Return in the prescribed form MGT-9 is given in **Annexure XI** forming part of this report. A copy of the Annual Return of the Company is available on the website of the Company www.orchidpharma.com

Board / RP Meetings held during the year

After the commencement of the CIRP on August 17, 2017 and during CIRP, RP had convened meetings with the Senior Management, KMP and with the then Board member. The Monitoring Committee (MC) of OPL reconstituted the Board on March 31, 2020 and a meeting of the reconstituted Board of Directors was held on the same day to take charge of the affairs of the Company. The powers of the Board of Directors of OPL vested back to the reconstituted Board from the MC /Monitoring Agent on this day.

The details of the RP meetings, the CoC Joint Lenders Meeting ("JLM") and MC Meetings and Committee Meetings held during the FY 2019-20 are furnished in the Corporate Governance Report **(Annexure-IV)** forming part of this report.

Board's Responsibility Statement

Members may kindly note that during the CIRP period i.e. from August 17, 2017 and continuing till March 31, 2020, the RP /CoC / Monitoring Committee/ Monitoring Agent were entrusted with the Management of the affairs of the Company.

The reconstituted Board is submitting this report and is not to be considered responsible to discharge fiduciary duties with respect to the oversight on financial and operational health of the Company and performance of the management for the period prior to and till the time and date of reconstitution (March 31, 2020) of the Board.

Accordingly, pursuant to Section 134(5) of the Act, the Board (based on the knowledge /information gained by them about the affairs of the Company in a limited period of time and based on the understanding of the then existing processes of the Company) and to the best of their knowledge state:

a) that in the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) that Board has continued with such accounting policies as were adopted, made judgments and estimates that are reasonable and prudent so as to give a reasonably true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2020 and of the profit or loss of the Company for that period;

c) that the annual accounts for the financial year ended March 31, 2020 have been prepared on a going concern basis as explained herein above in the preamble;

d) that proper systems which have been devised to ensure compliance with the provisions of applicable laws are adequate and operating;

e) that Internal financial controls which were laid down and followed by the company on the date of reconstitution of the Board, along with the necessary steps and changes in the Management Structure that have been taken to improve the internal financial controls during CIRP are operating effectively; and

f) that proper and sufficient care has been taken care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.

Nomination & Remuneration policy

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

Appointment and Remuneration of Non- Executive Directors

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

The Criteria for determining independence of a director are based on the academic accomplishments, qualifications, expertise and experience in their respective fields, diversity of the Board, global exposure, professional network, technical expertise, functional domain expertise, independence and innovation. The Company has received the necessary declarations from each Independent Director in accordance with Section 149(7) of the Act, read with Rules 16 and 25(8) of the Listing Regulations, confirming that he/she meets the criteria of independence as laid out in Section 149(6) of the Act and Regulations 16(1)(b) and 25(8) of the Listing Regulations. Further, the Board after taking these declaration/disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and independent of the Management. All the Independent Directors have been registered and are members of Independent Directors Databank maintained by the Indian Institute of Corporate Affairs and whoever be required to qualify the online proficiency self-assessment test will be complied in due course of time.

Opinion of the Board

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

Related Party Transaction Policy

Your Company has framed a Related Party Transaction Policy in compliance with Section 177 of the Companies Act 2013 and Regulation 23 of Listing Regulations 2015, in order to ensure proper reporting and approval of transactions with related parties. The Policy is available on the website of the Company and the web-link for the same is-http://www.orchidpharma.com/downloads/RELATED-PARTY-TRANSACTION-POLICY.pdf

All the transactions entered with the related parties were in ordinary course of business and are on arm's length basis. The particulars of contracts or arrangements with the related parties under Section 188(1) are disclosed in Form AOC-2 which is given in **Annexure – VIII**, forming part of this report.

Corporate Social Responsibility (CSR)

Pursuant to the provisions of Section 135 and Schedule VII of the Companies Act, 2013, the Company had constituted the CSR Committee to recommend: (a) the policy on CSR and (b) implementation of the CSR Projects or Programs to be undertaken by the Company as per CSR Policy for consideration and approval by the Board of Directors.

The Board has approved the CSR policy and the same is available on the website of the Company and the web-link for the same is http://www.orchidpharma.com/downloads/CSR-POLICY.pdf

Since the Company did not have any profits for the last three financial years, the Company is not mandatorily required to contribute towards CSR activities. However, your Company has undertaken in a small manner the CSR activities voluntarily on Education, Health, Youth development and Women Empowerment during the financial year 2019-2020 through "Orchid Trust".

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

Except otherwise stated herein in this Report and subject to the ongoing implementation of the approved resolution plan as per IBC, 2016, there are no material changes and commitment affecting financial position of the Company from the end of Financial Year ~ March 31, 2020 ~ and till the date of this Report.

Conservation of Energy

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

Technology Absorption

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

Foreign Exchange Earnings and Outgo

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

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

opinion of the Board may threaten the existence of the company

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

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

Annual evaluation of Board, its Committees and individual Directors

During the Fiscal, Resolution Professional was at the helm of affairs of your Company and the powers of the Board vested with him. Also, the strength of the Board was ONE throughout the year till the end of the CIRP period.

Pursuant to the reconstitution of the Board on March 31, 2020 by MC of your Company, the powers of the Board of Directors stood vested back on this day. Accordingly, the Annual evaluation of Board, its committees and individual directors as required under Section 134 (p) does not arise and may be construed as not applicable.

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, 2020.

Details regarding deposits, covered under Chapter V of the Act

During the Financial Year 2019-20, your company did not accept any deposits within the meaning of the provisions of Chapter V – Acceptance of Deposits by Companies read with the Companies (Acceptance of Deposits), Rules 2014 and as such, no amount of principal or interest was outstanding as of the balance sheet date.

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

There have been no significant nor material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations except for the Orders passed by the Hon'ble NCLT, Chennai, NCLAT and Supreme Court of India in relation to the resolution Plan as per IBC 2016. Further, an Order was passed by the Honourable NCLT, Chennai Bench on September 15, 2020 pertaining to the Resolution plan.

Vigil Mechanism (Whistle Blower Policy)

Your Company has established a vigil mechanism that enables the Directors & the Employees report genuine concerns. The Company encourages its employees who have concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct to come forward and express their concerns without fear of punishment or unfair treatment. The Policy is available on the website of the Company and the web link for the same is http://www. orchidpharma.com /downloads/whistle-blower-policy.pdf.

Policy for determining material subsidiaries

Your Company has framed a Policy for determining material subsidiaries in compliance with Regulation 16 (1) (c) of the Listing Regulations, 2015, in order to determine the material subsidiaries of the Company. The Policy is available on the website of the Company and the web link for the same is http://www.orchidpharma. com /ir_downloads.aspx

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

The Company has in place an anti-sexual harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Grievance Redressal Cell within the Human Resource Department has been set up to redress complaints regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company has not received any complaints on sexual harassment during the financial year ended 31st March, 2020.

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

Environment

Environment management is the prime concern in your Company. Orchid has employed a state of the art technology zero liquid trade effluent treatment plant system 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 comprises Membrane Bio Reactor, Nano Filtration, 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 aeroapc equipped with jet aeration system made up of Glass Fibre Reinforced Plastic & Ultrafiltration System loaded with ceramic membrane (aluminum zirconium). Waste Air Treatment is done through installation of process scrubbers, vent gas condensation, Reverse Jet Ventury Filter, Adequate stack height and Electro

Static Precipitator.

Hazardous waste management is done by collecting and storing hazardous wastes in protected storage shed and disposing it into the approved landfill sites / authorized recyclers

Safety

Orchid is highly committed to Safety, Health and Environment aspects. Though resource constraints continue to be a challenge in this financial year also, there was 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 your Company free from any major incident. Orchid strongly believes that human behaviour plays key role in safety management. To reinforce this, Safety observation & Audit (SOA) – Lead indicator, becomes key focus area always in the Central Safety Committee meetings. CSC continues to meet regularly to review critical concerns on Safety and also provides directions to minimize the risks at all levels.

Process safety management is another key area, being a pharma sector. 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. Orchid also believes continuous learning is the critical element in Safety Management. Hence, various training programs have been conducted in the year 2019-20 to reinforce the safe behaviour and also to enhance the necessary skills to perform the job safely.

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.

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

Particulars of Loans, Guarantees or investments as required under Section 186 of the Companies Act, 2013 are provided in the Note no. 7 & 14 to Standalone Financial Statements for the financial year 2019-20.

Green Initiative

To augment the green initiative of the MCA and to reduce carbon foot print, your Company proposes to send various communication including the Annual Reports in electronic form, to the members whose E-mail id is registered with the Depository Participants. In view of the prevailing situation on account of Covid-19 and owning to the difficulties involved in despatching physical copies of the financial statements (including Board's Report, Auditor's Report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent only by email to those members who have registered their E-mail address with the Company/Registrar and Share Transfer Agent (in respect of shares held in physical form) or with the Depository Participant (in respect of shares held in electronic form) and made available to the Company by the depositories.

The Annual report of the Company for the Financial Year 2019-2020 can be accessed from the website of the company and the weblink for the same is www.orchidpharma.com/invr_Annualreports.html

Suspension of Trading

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

Directors /Reconstitution of the Board

As stated earlier, on March 31, 2020, the Monitoring Committee of your Company reconstituted the Board by inducting Nominees from Dhanuka Laboratories Limited, the successful Resolution Applicant as per the approved Resolution Plan. Accordingly, Shri Ram Gopal Agarwal, Shri Manish Dhanuka, Shri Arun Kumar Dhanuka and Shri Mridul Dhanuka were inducted on the Board as Additional Directors.

Shri Manoj Kumar Goyal, Shri Mudit Tandon, Dr. Dharam Vir and Smt. Tanu Singla were appointed as Additional Directors (Independent Category) of the Company at the Board of Director's meeting held on June 29, 2020.

On June 29, 2020, the Board appointed Shri Manish Dhanuka as the Managing Director (will not retire by rotation) and Shri Mridul Dhanuka as the Whole time director (retiring by rotation) for a period upto February 27, 2025.

As per the provisions of the Companies Act 2013, the directors who were appointed as additional directors on the Board of OPL on March 31, 2020 and June 29, 2020 will hold Office upto the date of ensuing AGM and being eligible offer themselves for appointment.

None of the Directors of the Company are disqualified under Section 164(2) of the Companies Act, 2013.

The reconstituted Board Members places on record the valuable contribution of Shri K Raghavendra Rao, the erstwhile Promoter and Managing Director of your Company who had vacated Place of Office during the year.

Statutory Auditors

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

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

Auditors' Report

The Auditors have audited the standalone and consolidated financial statements of the Company for the financial year ended 31st March 2020 and no fraud has been reported by the Auditors under Section 143 (12) of the Companies Act, 2013 requiring disclosure in the Board's Report.

Explanation to the Audit qualifications

The explanation to the Audit Qualifications for the financial year ended March 31, 2020 are given in **Annexure IX** to this report.

Secretarial Auditor

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, M/s S Dhanapal Associates (a firm of Practising Company Secretaries) were appointed to conduct the secretarial audit of your Company for FY 2019-20. The Secretarial Audit Report is forming part of this Annual Report **(Annexure VI)**. The explanation to the observations in the Secretarial Audit report for the financial year ended March 31, 2020 are given in **Annexure X** to this report.

Compliance with the provisions of Secretarial Standards

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

Cost Audit

The Central Government has prescribed that an audit of the cost accounts maintained by the Company in respect of Bulk Drugs and Formulations be conducted under Section 148 of the Companies Act, 2013. Consequently, your Company had appointed Shri J Karthikeyan as Cost Auditor for the FY 2019-20, 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 2018-19 has been filed with MCA on June 22, 2020 and the cost audit report for the Financial Year 2019-20 is under progress and would be filed well before the due date ~ December 31, 2020. 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 07 September 2020, on the recommendation of the Audit Committee, has appointed Shri J Karthikeyan, Cost Accountant, Chennai (Membership No. 29934 Firm Reg. No.102695) to conduct the audit of the cost accounting records of the Company for financial year 2020-2021 at a remuneration of Rs.2,00,000/- (Rupees Two Lakhs Only) plus applicable taxes and reimbursement of out-of-pocket expenses. The remuneration is subject to the ratification of the Members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and is accordingly placed for your ratification.

Acknowledgements

The Board is grateful and thankful to all the Banks, Financial Institutions both in public sector and in private sector who have fully supported your Company's initiatives during the CIRP period and for their wholehearted mandate for approving a resolution plan and for the revival of your Company's businesses.

The Board is grateful to the Central and State Government and the Central Drugs Standard Control Organization and State Food Safety and Drugs Administration (State FDAs) for their support to the Company's business plans. The Board places on record their appreciation of the support provided by the customers, suppliers, service providers, medical fraternity and business partners.

The Board and the Management acknowledge and are thankful to the employees who stayed with the Company during the CIRP period and for their contributions.

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

Place: New Delhi
Date : November 11, 2020

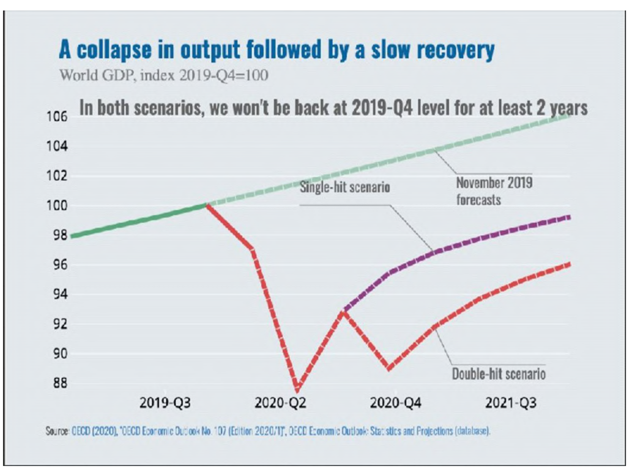
Manish Dhanuka
Managing Director
DIN:00238798

Mridul Dhanuka
Whole Time Director
DIN:00199441

Economic Overview - Global

According to the OECD world economic outlook, June 2020 the global outlook is highly uncertain. The Covid-19 pandemic is a global health crisis without precedent in living memory. It has triggered the most severe economic recession in nearly a century and is causing enormous damage to people's health, jobs and well-being.

The global economy is now experiencing the deepest recession since the Great Depression in the 1930s, with GDP declines of more than 20% and a surge in unemployment in many countries. Even in countries where containment measures have been relatively light, early data are already making clear that the economic and social costs of the pandemic will be large. Growth prospects depend on many factors, including how COVID-19 evolves, the duration of any shutdowns, the impact on activity, and the implementation of fiscal and monetary policy support. Uncertainty will likely prevail for an extended period. Given this uncertainty, two scenarios have been developed to reflect the possible evolution of the global economy. In the double-hit scenario, it is assumed that renewed shutdowns are implemented before end of 2020, following another surge of the COVID-19 virus.



According to the World Economic Outlook (WEO) forecast, Global growth is projected at –4.9 percent in 2020, 1.9 percentage points below the April 2020 forecast. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. In 2021 global growth is projected at 5.4 percent. Overall, this would leave 2021 GDP some 6½ percentage points lower than in the pre-COVID-19 projections of January 2020. The adverse impact on lowincome households is particularly acute, imperilling the significant progress made in reducing extreme poverty in the world since the 1990s.

As with the April 2020 WEO projections, there is a higher-than-usual degree of uncertainty around this forecast. The baseline projection rests on key assumptions about the fallout from the pandemic. In economies with declining infection rates, the slower recovery path in the updated forecast reflects persistent social distancing into the second half of 2020; greater scarring (damage to supply potential) from the larger-than-anticipated hit to activity during the lockdown in the first and second quarters of 2020; and a hit to productivity as surviving businesses ramp up necessary workplace safety and hygiene practices. For economies struggling to control infection rates, a lengthier lockdown will inflict an additional toll on activity. Moreover, the forecast assumes that financial conditions, which have eased following the release of the April 2020 WEO—will remain broadly at current levels. Alternative outcomes to those in the baseline are clearly possible, and not just because of how the pandemic is evolving. The extent of the recent rebound in financial market sentiment appears disconnected from shifts in underlying economic prospects—as the June 2020 Global Financial Stability Report (GFSR) Update discusses—raising the possibility that financial conditions may tighten more than assumed in the baseline.

All countries—including those that have seemingly passed peaks in infections—should ensure that their health care systems are adequately resourced. The international community must vastly step up its support of national initiatives, including through financial assistance to countries with limited health care capacity and channelling of funding for vaccine production as trials advance, so that adequate, affordable doses are quickly available to all countries. Where lockdowns are required, economic policy should continue to cushion household income losses with sizable, well-targeted measures as well as provide support to firms suffering the consequences of mandated restrictions on activity. Where economies are reopening, targeted support should be gradually unwound as the recovery gets underway, and policies should provide stimulus to lift demand and ease and incentivize the reallocation of resources away from sectors likely to emerge persistently smaller after the pandemic.

Strong multilateral cooperation remains essential on multiple fronts. Liquidity assistance is urgently needed for countries confronting health crises and external funding shortfalls, including through debt relief and financing through the global financial safety net. Beyond the pandemic, policymakers must cooperate to resolve trade and technology tensions that endanger an eventual recovery from the COVID-19 crisis. Furthermore, building on the record drop in greenhouse gas emissions during the pandemic, policymakers should both implement their climate change mitigation commitments and work together to scale up equitably designed carbon taxation or equivalent schemes. The global community must act now to avoid a repeat of this catastrophe by building global stockpiles of essential supplies and protective equipment, funding research and supporting public health systems, and putting in place effective modalities for delivering relief to the neediest.

Some bright spots mitigate the gloom. Following the sharp tightening during January-March, financial conditions have eased for advanced economies and, to a lesser extent, for emerging market economies, also reflecting the policy actions discussed below. Sizable fiscal and financial sector countermeasures deployed in several countries since the start of the crisis have forestalled worse near-term losses. Reduced-work-hour programs and assistance to workers on temporary furlough have kept many from outright unemployment, while financial support to firms and regulatory actions to ensure continued credit provision have prevented more widespread bankruptcies.

Swift and, in some cases, novel actions by major central banks (such as a few emerging market central banks launching quantitative easing for the first time and some advanced economy central banks significantly increasing the scale of asset purchases) have enhanced liquidity provision and limited the rise in borrowing costs. Moreover, swap lines for several emerging market central banks have helped ease dollar liquidity shortages. Portfolio flows into emerging markets have recovered after the record outflows in February-March and hard currency bond issuance has strengthened for those with stronger credit ratings. Meanwhile, financial regulators' actions—including modification of bank loan repayment terms and release of capital and liquidity buffers—have supported the supply of credit.

Stability in the oil market has also helped lift sentiment. Exchange rate changes since early April have reflected these developments. As of mid-June, the US dollar had depreciated by close to 4 percent in real effective terms (after strengthening by over 8 percent between January and early April). Currencies that had weakened substantially in previous months have appreciated since April—including the Australian dollar and the Norwegian krone, among advanced economy currencies, and the Indonesian rupiah, Mexican peso, Russian ruble, and South African rand, among emerging market currencies.

Global trade will suffer a deep contraction this year of –11.9 percent, reflecting considerably weaker demand for goods and services, including tourism. Consistent with the gradual pickup in domestic demand next year, trade growth is expected to increase to 8 percent.

Inflation outlook. Inflation projections have generally been revised downward, with larger cuts typically in 2020 and for advanced economies. This generally reflects a combination of weaker activity and lower commodity prices, although in some cases partially offset by the effect of exchange rate depreciation on import prices. Inflation is expected to rise gradually in 2021, consistent with the projected pickup in activity. Nonetheless, the inflation outlook remains muted, reflecting expectations of persistently weak aggregate demand.

Contain the Economic Fallout, Facilitate Recovery

Confronted with a highly transmissible virus and susceptible populations, countries have restricted mobility to curb its spread and protect lives. In the resulting deep economic downturn, the broad economic policy objectives remain similar with a continued emphasis on sizeable, well-targeted measures that protect the vulnerable. As economies reopen, the focus there should gradually move from protecting jobs and shielding firms to facilitating recovery and removing obstacles to worker reallocation.

In the given circumstances, the following actions are expected from the Governments.

Invest in health	Support the transition	Plan the recovery
• Strengthen health care systems and build the supply of medical equipment. • Use test, track, trace and isolate and distancing strategies to limit virus outbreaks. • Ensure global cooperation to develop and distribute a vaccine and treatments.	• Help people and businesses in hardhit sectors move into new activities, strengthen income protection. • Facilitate rapid firm restructuring and accelerate digitalisation. • Maintain liquidity support and be prepared for renewed financial turmoil.	• Build more resilient supply chains with larger stocks and more diversification of sources. • Keep interest rates low and ensure public spending and taxation policies support economic activity. • Invest public finances for people's well-being, focus on fairness.

Economic Overview - India

According to the IMF, the Indian economy grew by 4.2% in 2019, against 6.1% in 2018, forcing policymakers and markets to rethink India's economic outlook. Slower domestic consumption dragged on growth and tighter credit conditions led to weaker private investment, which have translated into fewer jobs. Three of the four growth engines - private consumption, private investment, and exports - have slowed down significantly. The significant fall in consumption - which is the biggest contributor of growth - points to fragile consumer sentiment and purchasing ability. As such, the government has announced a slew of reforms to jump-start the economy. According to the updated IMF forecasts from 14th April 2020, due to the outbreak of the COVID-19, GDP growth is expected to fall to 1.9% in 2020 and pick up to 7.4%, subject to the post-pandemic global economy recovery.

At the beginning of the year 2020, the Hon'ble Finance Minister indicated the focus of the Government in the Economic survey 2019-20 presented in the parliament on January 31, 2020. According to the survey;

- India's exports increased by 13.4 per cent for manufactured products and 10.9 per cent for total merchandise.
- Imports increased by 12.7 per cent for manufactured products and 8.6 per cent for total merchandise.
- India gained 0.7 per cent increase in trade surplus per year for manufactured products and 2.3 per cent per year for total merchandise.
- India reached 63rd position in 2019 from 142 in 2014 in World Bank's Doing Business rankings.
- Revenue Receipts registered a higher growth during the first eight months of 2019-20, compared to the same period last year, led by considerable growth in Non-Tax revenue.
- Gross GST monthly collections have crossed the mark of Rs 1 lakh crore (US$ 14.15 billion) for a total of five times during 2019-20 (up to December 2019).
- Consumer Price Index (CPI) inflation increased from 3.7 per cent in 2018-19 (April to December 2018) to 4.1 per cent in 2019-20 (April to December 2019).
- WPI inflation fell from 4.7 per cent in 2018-19 (April to December 2018) to 1.5 per cent during 2019-20 (April to December 2019).

It is pertinent to note few economic indicators pertaining to the last quarter of the year 2019-20 released by RBI. Net foreign direct investment was at $12 billion during Q4 of 2019-20, which was higher than $6.4 billion in the year-ago quarter. Foreign portfolio investment (FPI) declined by $13.7 billion as against an increase of $9.4 billion in Q4FY19 due to net sales in both in debt and equity markets. Net inflow on account of external commercial borrowings was higher at $9.4 billion in Q4FY20 as compared with $7.2 billion in the year-ago period.

The Current Account Deficit (CAD) narrowed to 0.9 per cent of GDP in 2019-20 from 2.1 per cent in 2018-19 on the back of the trade deficit shrinking to $157.5 billion in 2019-20 from $180.3 billion in 2018-19.

The Pharmaceutical Space

Global Overview, Trends and Prospects

The global pharmaceutical market is expected to exceed $1.5 trillion by 2023 growing at a 3–6% compound annual growth rate over the next five years. The key drivers of growth will continue to be the United States and pharmerging markets with 4–7% and 5–8% compound annual growth, respectively. In the United States, overall spending growth is driven by a range of factors including new product uptake and brand pricing, while it is offset by patent expiries and generics. Medicine spending in Japan totalled $86 billion in 2018, however spending on medicines is expected to decline by -3 to 0% through 2023, largely because of exchange rates and the continued uptake of generics. In Europe, cost-containment measures and less growth from new products contribute to slower growth of 1–4%, compared to the 4.7% compound annual growth seen over the past five years. Pharmaceutical spending in China reached $137 billion in 2018 and is expected to reach $140–170 billion by 2023, but its growth is likely to slow to 3–6%.

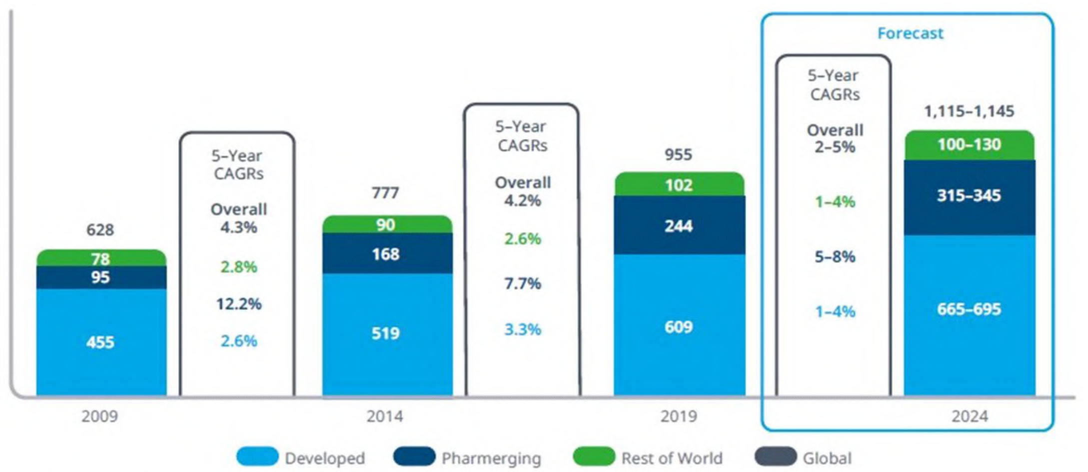
New products and losses of exclusivity will continue to drive similar dynamics across developed markets, while product mix will continue to shift to specialty and orphan products. An average of more than 50 new active substance (NAS) launches per year are expected over the next five years and two-thirds of launches will be specialty products, lifting specialty share of spending to approximately 50% by 2023 in most developed markets. At the same time, the impact of losses of exclusivity in developed markets is expected to be $121 billion between 2019 and 2023, with 80% of this impact, or $95 billion, in the United States. By 2023, biosimilar competition in the biologics market will be nearly three-times larger than it is today. This will result in approximately $160 billion in lower spending over the next five years than it would have if biosimilar did not enter the market.

The factors that affect the pharmaceutical market size include disease prevalence, drug affordability, consumer attitudes, government policies and some supply-side factors:

- **Disease prevalence** is related to population size, age, genetic inheritance and behaviour
- **Affordability** is related to income but also to drug prices.
- **Consumer attitudes** include willingness to use alternative therapies or distrust of taking drugs.
- **Government (and insurance sector) policies** affect reimbursement and who the payer is. Other government policies determine regulation, which can be a significant barrier to the launch of new treatments.
- **A major supply-side factor** is availability of an appropriate treatment, which may be a matter of quantity, as in an epidemic, or of drug discovery and development.

Global medicine spending is expected to grow more slowly, but projected to exceed $1.1 trillion in the next five years. The rise in spending is partly due to increased use, but is also driven by changes in the specialty and innovative product composition of new brands reaching the market. Other factors, such as pricing pressures and brand losses of exclusivity offset rises in spending. With these dynamics, spending growth is projected to slow in the next five years. Notably, dynamics will evolve differently in developed and pharmerging markets, especially as pharmerging markets are more volume-driven with lower brand use. However, the same depressed pace of growth in medicine spending is expected.

Global Medicine Net Market Size and Growth 2009-2024. Constant US$Bn



Source: IQVIA Market Prognosis, Sep 2019; IQVIA Institute, Dec 2019

The outbreak of Covid-19 in the first quarter of the year 2020 resulted in a serious impact on the living/economic conditions globally due to the various restrictions in public life, employment and movement of men and materials. Though the industry as a whole had a significant negative impact, the pharmaceutical industry is poised to leap forward due to the increased significance on medicine necessitated by the Covid-19 pandemic.

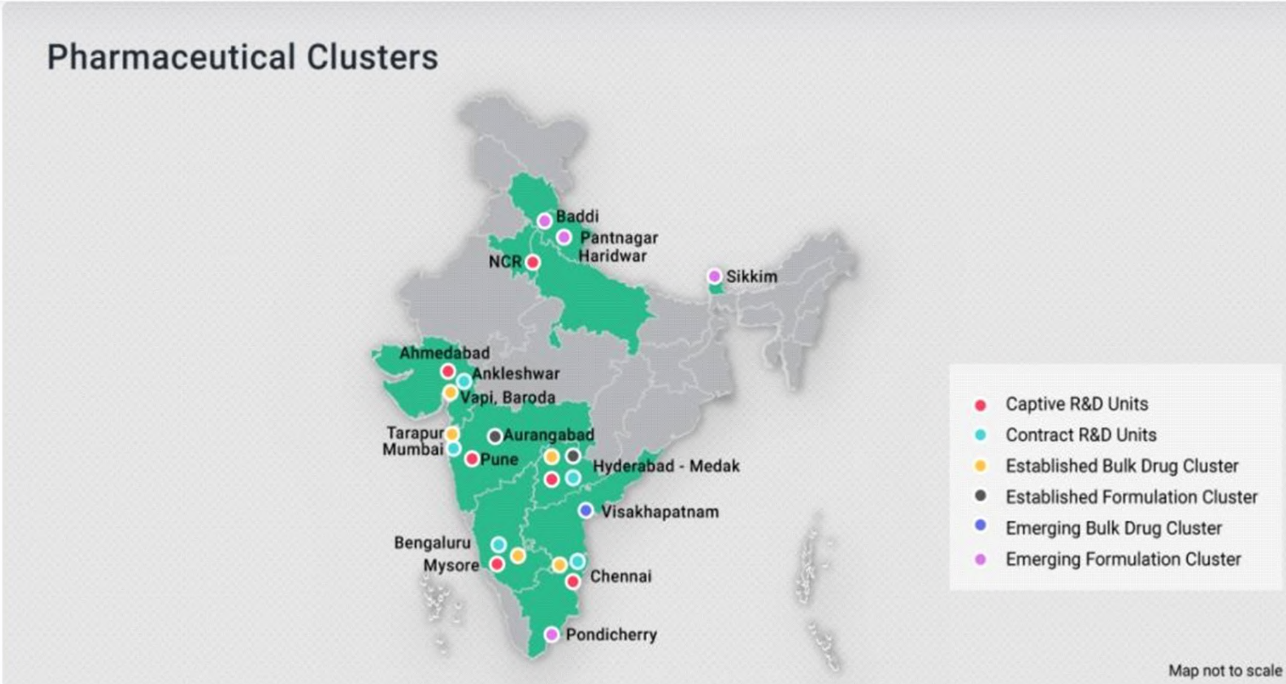
India: Overview, trends and prospects

India is a prominent and rapidly growing presence in global pharmaceuticals. It is the largest provider of generic medicines globally, occupying a 20% share in global supply by volume and also supplies 62% of global demand for vaccines. India ranks 3rd worldwide for production by volume and 14th by value. India is the only country with largest number of US-FDA compliant Pharma plants (more than 262 including APIs) outside of USA. India has more than 2000 WHO-GMP approved Pharma Plants, 253 European Directorate of Quality Medicines (EDQM) approved plants with modern state of the art Technology.

India is the source of 60,000 generic brands across 60 therapeutic categories and manufactures more than 500 different Active Pharmaceutical Ingredients (APIs). The API industry is ranked third largest in the world contributing 57% of APIs to prequalified list of the WHO. India is the largest provider of generic drugs globally. Indian pharmaceutical sector supplies over 50 per cent of global demand for various vaccines, 40 per cent of generic demand in the US and 25 per cent of all medicine in the UK.

The country is home to more than 3,000 pharma companies with a strong network of over 10,500 manufacturing facilities. The domestic pharmaceuticals market turnover reached $20.03 bn in 2019, up 9.3% from 2018, growing as penetration of health insurance and pharmacies rise.

The Pharmaceutical exports from India stood at US$ 20.58 billion in 2019-20. The cost of manufacturing in India is significantly lower than that of the US.



Market Size

Indian pharmaceutical sector is expected to grow to US$ 100 billion, while medical device market is expected to grow US$ 25 billion by 2025. Pharmaceuticals export from India stood at US$ 20.70 billion in FY20. Pharmaceutical export include bulk drugs, intermediates, drug formulations, biologicals, Ayush and herbal products and surgical.

India's biotechnology industry comprising biopharmaceuticals, bio-services, bio-agriculture, bio-industry, and bioinformatics is expected grow at an average growth rate of around 30 per cent a y-o-y to reach US$ 100 billion by 2025.

India's domestic pharmaceutical market turnover reached Rs 1.4 lakh crore (US$ 20.03 billion) in 2019, up 9.8 per cent y-o-y from Rs 129,015 crore (US$ 18.12 billion) in 2018.

Investments and Recent Developments

Presently 100% FDI is allowed under automatic route for investment in Greenfield Pharma and 74% is permitted under automatic route in brownfield Pharma.

FDI inflows in India increased to $55.56 bn in 2015-16, $60.22 billion in 2016-17, $60.97 bn in 2017-18 and the country registered its highest ever FDI inflow of $62.00 bn (provisional figure) during the last Financial Year 2018-19. Moreover, India has attracted more than $74 bn investments across sectors during 2019-20.

Total FDI inflows in the country in the last 20 years (April 2000-June 2020) are $693.3 bn while the total FDI inflows received in the last 5 years (April 2014- September 2019) was $319 bn which amounts to nearly 50% of total FDI inflow in last 20 years.

Government Initiatives

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

- India plans to set up a nearly Rs 1 lakh crore (US$ 1.3 billion) fund to provide boost to companies to manufacture pharmaceutical ingredients domestically by 2023.
- In November 2019, the Cabinet approved extension/renewal of extant Pharmaceuticals Purchase Policy (PPP) with the same terms and conditions while adding one additional product namely, Alcoholic Hand Disinfectant (AHD) to the existing list of 103 medicines till the final closure/strategic disinvestment of Pharma CPSUs.
- Under Budget 2020-21, Rs 65,012 crore (US$ 9.30 billion) has been allocated to the Ministry of Health and Family Welfare is. The Government has allocated Rs 34,115 crore (US$ 4.88 billion) towards the National Health Mission under which rural and urban people will get benefited.
- Rs 6,400 crore (US$ 915.72 million) has been allocated to health insurance scheme Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (AB-PMJAY).
- As per Economic Survey 2019-20, Government expenditure (as a percentage of GDP) increased to 1.6 per cent in FY20 from 1.2 per cent in FY15 on health.

- The National Health Protection Scheme is the largest Government funded healthcare programme in the world, which is expected to benefit 100 million poor families in the country by providing a cover of up to Rs 5 lakh (US$ 7,723.2) per family per year for secondary and tertiary care hospitalisation. The programme was announced in Union Budget 2018-19.
- The Government of India is planning to set up an electronic platform to regulate online pharmacies under a new policy to stop any misuse due to easy availability.
- Government of India unveiled 'Pharma Vision 2020' to make India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investment.

Road Ahead

Medicine spending in India is projected to grow 9-12 per cent over the next five years, leading India to become one of the top 10 countries in terms of medicine spending.

Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases as such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers, which are on the rise.

The Indian Government has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

The Company

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 US FDA compliant API and Finished Dosage Form facilities near Chennai, Tamilnadu in India.

Orchid has dedicated, state-of-art and GLP compliant R&D infrastructure for Process research and Pharmaceutical research near Chennai, Tamilnadu in India.

Orchid has ISO 14001 :2015 and OHSAS 18001 :2007certifications for its manufacturing facility at Alathur.

Orchid's Equity shares are listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE) in India.

Corporate Insolvency Resolution Process (CIRP)

The Hon'ble National Company Law Tribunal ("NCLT"), Chennai Bench, admitted the Corporate Insolvency Resolution Process ("CIRP") application filed by an operational creditor of Orchid Pharma Limited ("the Company") and appointed an Interim Resolution Professional ("IRP"), in terms of the Insolvency and Bankruptcy Code, 2016 ("the Code") to manage the affairs of the Company vide CP no. CP/ 540/ (IB)/ CB/ 2017 dated August 17, 2017. Subsequently, Shri Ramkumar Sripatham Venkatasubramanian (IP Registration no. IBBI/IPA-001/IP-P00015/2016-17/10039) was appointed as the Resolution Professional ("RP") of the Company, by an order of NCLT with effect from October 27, 2017.

The Resolution Plan of Dhanuka Laboratories Limited was approved by the Hon'ble NCLT vide its order dated 27th June 2019. However, on an appeal filed by one of the unsuccessful Resolution Applicants, the Hon'ble National Company Law Appellate Tribunal ("NCLAT") has stayed the implementation of the Resolution plan until further orders on 26th July 2019 and has directed the Interim Resolution Professional ("RP") to ensure that the Corporate Debtor remains as a going concern. Further, the Hon'ble NCLAT on November 13, 2019, had set aside the approved Resolution plan of Dhanuka Laboratories Limited ("DLL"). State Bank of India, one of the COC members, has preferred an appeal against the impugned order of the Hon'ble NCLAT before the Hon'ble Supreme Court of India, which upheld the order of NCLT vide its order dated February 28, 2020. Pursuant to the above order, DLL has infused the prescribed funds into the Company and implemented the Resolution plan through the Monitoring Committee constituted with the nominations of the DLL, RP and two financial creditors of the Company on the effective date i.e. on March 31, 2020.

A summary of the implementation of the approved resolution plan is given below:

Particulars	₹ Crore
Amount brought in by Resolution Applicant	610.00
Cash balance of the Company used	577.79
Total	**1187.79**
Used for:	
Payment of CIRP Costs	10.04
Payment to Financial Creditors	1106.53
Payment to Current / Ex-employees / Operational Creditors	31.22
Working Capital for continuing operations	40.00
Total	**1187.79**

Opportunities

Orchid Pharma Limited strives to place itself in a strong position by expanding strategically, increasing its manufacturing capacities and enhancing capacities across the organization. The Company is looking at different opportunities in untapped markets and also across a value chain.

Threats

The outbreak of the COVID-19 pandemic across the world and subsequent disruption in economic activities is likely to impact GDP across countries and may indirectly also impact pharmaceutical consumption. Challenging US generics pricing environment driven by customer consolidation and higher competitive intensity, on account of faster pace of generic drug approvals by the USFDA.

Significant volatility in the forex market, especially for emerging market currencies, may adversely impact reported growth of these markets, even though they may be recording growth in local currency terms. Governments across the world try to control their healthcare budgets, which may lead to government-mandated price controls on pharmaceutical products.

Risks and Concerns

All businesses are subject to internal as well as external risks. The internal risks are controllable risks and Orchid has identified such risks and is in the process of formulating such actions to mitigate the effect of such risks. The extent to which COVID-19 pandemic will impact the operations and financial results is dependent on the future developments, which are highly uncertain. This is a major risk in the immediate future and its long term impact needs to be assessed.

The global and Indian pharmaceutical industry continues to be regulated by various regulatory agencies. Stringent regulatory norms, delay in obtaining regulatory approvals for key products, patent litigations, currency fluctuations and pricing guidelines in the domestic market are risks that can affect the Company's business. Hence, the regulatory risk is one of the significant risks identified by the management. Being a global pharmaceutical player, selling branded generic and generic formulations across the globe, competition and price pressures are common risk in all markets. Higher focus on API supply may impact the Company's momentum and operating margins. Orchid's operations span across the globe having diverse political and economic environments. Any adverse change like political instability leading to policy uncertainty, tariff/ trade wars, economic sanctions, leading to weakening of Global economy may impact company's business. The risk management activities also include assessment and review of financial risks such as currency risks, credit risks and liquidity. Legal and Compliance risks which may arise out of non-compliance with applicable laws, regulations, standards and policies that could impact the Company's reputation and business. Information Technology (IT) risks which could have potential impact on information assets and processing systems. Orchid's integrated risk management approach comprises prudential norms and structured reporting and controls. This approach conforms with the Company's strategic direction and is consistent with stakeholders' desired total returns, credit rating and risk appetite.

Internal control system 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.

Material developments in Human resources / Industrial relations front, including the number of people employed

Orchid's HR function is aligned with the Company's overall growth vision and continuously works on areas such as recruitment and selection policies, disciplinary procedures, reward/recognition policies, learning and development programmes as well as all-round employee development.

Orchid provides a safe and rewarding environment that attracts and retains a talented team and where employees are engaged in delivering exceptional results to the customers and investors

Orchid Pharma has a diverse talent pool of over 1200+ Orchidians. The Company acknowledges the indispensable role of Orchidians in driving continued success.

Financial Overview

Profitability

- During the year ended on March 31, 2020, the EBITDA of the Company was a negative at Rs.19.78 Crore as against a positive EBITDA of Rs.4.24 Crore during the previous year ending on March 31, 2019.
- The net loss of the Company before Extra-ordinary items & Tax for the year ended on March 31, 2020 stood at Rs.149.84 Crore as against Rs.125.99 Crore during the previous year ending on March 31, 2019.
- EPS for the year ending on March 31, 2020 stood at a negative Rs. 16.87 as compared to a negative Rs. 11.36 for the previous year ending on March 31, 2019.

Components of Revenue & Expenditure

- The operating revenues for the year 2019-20 was Rs. 505.45 Crore as against Rs. 583.65 Crore during the previous year ending on March 31, 2019.
- Material cost for the year ended March 2020 was Rs. 240.24 Crore (47.5% of the Operating revenues) as compared to Rs. 278.16 Crore (47.7% of the Operating revenue) during the previous year ending on March 31, 2019.
- The other operating cost, including employee cost for the year ended March 2020 was Rs. 309.47 Crore as against Rs.318.18 Crore during the previous year ending on March 31, 2019.
- The Finance cost for the year ended March 2020 was Rs. 4.16 Crore as compared to Rs.0.30 crore during the previous year ending on March 31, 2019. The increase in the finance cost was mainly on account of charging of unamortised finance charges.
- The Depreciation & Amortisation for the year ending March 2020 was Rs. 125.90 Crore as compared to Rs.129.92 Crore (including amortisation of Intangible assets under development) during the previous year ending on March 31, 2019.

Balance Sheet

- The Equity and Reserves as at March 31, 2020 stood at Rs.1056.20 Crore as compared to a negative net-worth of Rs.754.99 Crore as at March 31, 2019.
- The total borrowings as at March 31, 2020 stood at Rs.563.53 Crore as compared to Rs.3,445 Crore as at March 31, 2019.

Cautionary statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimate, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations.

Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

Annexure I Conservation of Energy

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

(a) Energy Conservation Measures Taken

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

- Utilization of -40 brine instead of -70 brine in Ph-12 DCC batch without affecting the GMP (Good Manufacturing Practice)
- Optimal utilization of Utility systems by conducting weekly audit by the internal energy management team. (Systems like +10°C, -10°C, -25°C, -40°C & operation of CT (Cooling Tower) pumps.
- CT-18 pump and compressor were provided interlock so that the CT pump is switched off whenever the compressor is not in operation.
- Plant lighting conversion of High Rating Lamps to its equivalent LED.

Due to the various energy conservation activities implemented, mentioned in (a) above, there was a reduction in power consumption by around 811 Units per day leading to a saving of around Rs. 20.39 Lakhs annually with an investment of Rs. 8.11 Lakhs

(b) Proposed energy conservation measures

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

- Conversion of -40'B' chiller from single stage to double stage.
- Re-boiler modification of DC-1002.

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.51.55 lakhs annually with an one time investment of Rs.31.45 lakhs.

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

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

(d) Capital Investment on Energy Conservation Equipments:

No significant capital investment was made on energy conservation equipment during the Financial Year 2019-20.

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

Place: New Delhi
Date : November 11, 2020

Manish Dhanuka
Managing Director
DIN:00238798

Mridul Dhanuka
Whole Time Director
DIN:00199441

ANNEXURE II – TECHNOLOGY ABSORPTION

I. Research and Development

Research and Development Centre focused on improving the process for manufacturing of the products filed in various countries and progressing through new customers/markets. For those products which gained approval from regulatory agencies, R&D has worked on the identified KSMs and APIs to improve the cost competitiveness either through process improvement or change of route of synthesis. R&D has been addressing the market requirements and to meet the customer needs in terms of intellectual property, freedom-to-operate study, scientific and technical justifications for regulatory and IP requirements, and provide standards of impurities and drug substances. R&D has been generating scientific rationale for the technology and experimental data through investigations to respond to DMF (Drug Master Filer) /ANDA (Abbreviated New Drug Application) queries from regulatory agencies. R&D has taken up new monograph evaluations to permit continuation of API and formulation business in regulated markets.

II. Expenditure on R & D

The R&D outlay was as follows: ₹ in Lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a) Capital	–	-
b) Recurring	985.90	1,262.25
c) Total	985.90	1,262.25
d) Total R & D expenditure as a percentage of the total turnover	1.95%	2.16%

III. Technology absorption, adaptation and innovation

Research and Development:

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

Improvement of manufacturing processes towards cost reduction of Non-Cephalosporin Non-Penicillin (NPNC) and Cephalosporin Active Pharmaceutical Ingredients (APIs) and Key Starting Materials (KSMs).

Technology transfer to manufacturing facility with modified processes for cost reduction of NPNC APIs along with analytical method transfers, apart from supporting the manufacturing facility with technical and analytical requirements for the filed products.

Apart from analytical method development, validation and method transfers to manufacturing locations, product specific requirements through ICPMS, PXRD, impurities, structural characterization, etc., towards responding to the queries from drug regulatory agencies for progressing with Orchid's ANDA/DMF review process. As part of technical support to customers, standards of several impurities and working standards generated and supplied to external customers, outsourced manufacturing facility, Orchid's API and drug product manufacturing facilities.

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

The improvement in manufacturing processes resulted in the yield improvement and cost reduction of the manufacturing processes for APIs and KSMs. Cost reduction improvements for APIs and API intermediates, generation of impurity standards, and investigations required at the manufacturing locations have enabled to progress towards commercialization of APIs. Standards of several impurities and working standards generated at R&D reduced the dependency on external agencies and in some cases, its importation and the accompanying costs and time. To support the API business, these standards were also provided to external customers. New analytical methods, method validations, method equivalency between in-house methods against Vs pharmacopoeial methods, compendial methods verification and analytical profile data have supported orchid's products and dossiers to gain approvals and continue with commercialization. Generation of scientific data, scientific and experimental justification for the process and analytical data at R&D Centre have enabled to get approval/progress towards approval of ANDA dossiers filed with regulatory agencies, pave way for commercialization of APIs and supply of APIs for Orchid's generics business.

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

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

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

Place: New Delhi
Date : November 11, 2020

Manish Dhanuka
Managing Director
DIN:00238798

Mridul Dhanuka
Whole Time Director
DIN:00199441

Annexure III - FOREIGN EXCHANGE EARNINGS & OUTGO

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

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

b) Total foreign exchange earnings and outgo

₹ in Lakhs

		Year ended March 31, 2020	Year ended March 31, 2019
1.	**Earnings in foreign exchange during the year**		
	F.O.B value of exports	44,157.12	47,982.87
	Export of services (net of TDS)	-	-
2.	**C.I.F. value of imports (on cash basis)**		
	Raw materials & Packing materials	14,324.00	15,649.21
	Capital goods	202.18	-
	Spare parts, components and consumables	813.49	1,231.05
3.	**Expenditure in foreign currency during the year (on cash basis)**		
	Travelling expenses	7.39	4.18
	Interest and bank charges	21.12	24.32
	Professional / Consultancy fees	128.21	115.46
	Others	556.54	1,615.54
4.	**Dividend remittances in foreign currency during the year**		
	Net dividend	-	-
5.	**Total foreign exchange used (2+3+4)**	**16,052.93**	**18,639.76**

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

Place: New Delhi
Date : November 11, 2020

Manish Dhanuka
Managing Director
DIN:00238798

Mridul Dhanuka
Whole Time Director
DIN:00199441

Annexure IV to the Board's Report

CORPORATE GOVERNANCE REPORT

CORPORATE INSOLVENCY RESOLUTION PROCESS

The Hon'ble National Company Law Tribunal ("NCLT"), Chennai Bench, had admitted a petition filed by M/s Lakshmi Vilas Bank Ltd in its capacity as Operational creditor under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) ("Code") for initiation of Corporate Insolvency Resolution Process ("CIRP") for Orchid Pharma Limited ("the Company"). Shri Rajasekaran (IP Registration no: IBBI/IPA-003/IP-N00053/2017-18/10493) was appointed as the Interim Resolution Professional ("IRP") to manage the affairs of the Company in accordance with the provisions of Code. Further, Shri. Sripatham Venkatasubramanian Ramkumar (IP Registration no. IBBI/IPA-001/IP-P00015/2016-17/10039) was appointed as the Resolution Professional (RP) of the Company, as approved at the Committee of Creditors ("COC") meeting held on October 3, 2017 , which was confirmed by the Honourable National Company Law Tribunal, Chennai Bench vide their order dated October 27,2017. In view of the pendency of the CIRP, the powers of the Board of Directors stood suspended and the management of the affairs of the Company was vested with the RP.

In furtherance of the above, the Resolution plan submitted by M/s. Dhanuka Laboratories Limited ("DLL~ Resolution Applicant") as approved by the Committee of Creditors of Orchid Pharma Limited ("OPL") was approved at the hearing held on 25th June 2019 by the Hon'ble National Company Law Tribunal, Court-II, Chennai bench (NCLT). However, one of the unsuccessful bidder filed an application before the Hon'ble NCLT seeking to consider their Resolution plan which was dismissed by the Hon'ble NCLT, Chennai on June 27, 2019. Pursuant to the said Order of dismissal, the Unsuccessful bidder preferred an appeal before the Hon'ble National Company Law Appellate Tribunal (NCLAT) and the Hon'ble NCLAT, New Delhi on July 26, 2019 stayed the Order dated June 27, 2019 passed by the Hon'ble NCLT, Chennai. The matter was heard by NCLAT, New Delhi in August 2019 and on November 13, 2019. The Hon'ble NCLAT, New Delhi set aside the Order passed by the Hon'ble NCLT, Chennai approving the Resolution plan and remitted the matter back to Hon'ble NCLT, Chennai for a decision in accordance with law. State Bank of India, one of the members of the financial creditors of Orchid Pharma Ltd. has preferred an appeal before the Hon'ble Supreme Court of India against the Order dated November 13, 2019 of NCLAT as stated herein above. The case was listed in Supreme Court on 06th December, 2019 and they granted a stay of further proceedings on this matter.

Further, the Hon'ble Supreme Court vide its Order dated February 28,2020 (received on March 02, 2020) has approved the Resolution Plan ("Resolution Plan") of M/s. Dhanuka Laboratories Limited ("DLL") under MA/579 /2019 in CP /540 /IB /2017 in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016.

The DLL Resolution Plan, as approved by the NCLT, is binding on the Company and its employees, members, creditors, guarantors and other stakeholders involved therein, as per the provisions of the Code. The NCLT also approved appointment of Shri. Sripatham Venkatasubramanian Ramkumar as Monitoring agent as authorised by the Monitoring Committee until closing date to supervise the implementation of the DLL Resolution plan.

Pursuant to and in accordance with the implementation of the approved Resolution plan, the existing Board of Directors of the Company (Directors prior to the approval of Resolution plan) were deemed to have resigned and the Board has been reconstituted and entrusted with the management of the Company. Accordingly, Your Company is now a Subsidiary of M/s Dhanuka Laboratories Limited.

A. Company's Philosophy on Code of Corporate Governance

At Orchid, we are committed to practicing good Corporate Governance norms. Orchid believes in adhering to Corporate Governance code to ensure protection of its investor's interest as well as healthy growth of the Company. The philosophy of your Company in relation to Corporate Governance is to achieve and maintain the highest standard of Corporate Governance by providing adequate and timely information to all the shareholders and recognizing the rights of its shareholders and encouraging co-operation between the Company and the stakeholders.

B. Board of Directors

1. Composition of Board

During the pendency of CIRP, the powers of the Board of Directors of the Company were suspended and all the powers of the Board were instead exercised by the Resolution Professional/ Monitoring Committee constituted for the Company. Pursuant to the implementation of the approved Resolution Plan, the Board was reconstituted on March 31, 2020.

Pursuant to SEBI Notification no. SEBI/LAD-NRO/GN/2018/21 dated May 31, 2018, the provisions as specified in Regulations 17,18,19, 20 and 21 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, related to Board of Directors, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee respectively, shall not be applicable in respect of a listed entity which is undergoing CIRP under the Insolvency Code. However, the role and responsibilities of the Board of Directors as specified under Regulation 17 and the role and responsibilities of the Committees as specified under Regulations 18, 19 and 20 shall be fulfilled by the IRP/ RP / Monitoring agent as authorised by Monitoring Committee in accordance with the provisions of the Insolvency Code.

Shri K Raghavendra Rao, Promoter and erstwhile Managing Director was the only Director on the Board of your Company till December 2019. However with effect from December 2019, he ceased to be Director of the Company, as per the Registrar of Companies, Chennai list published in Ministry of Corporate website in December 2019 disclosing his cessation as Director with effect from November 01, 2018.

Post the Order of the Hon'ble Supreme Court of India dated February 28, 2020, the Monitoring Committee on March 31, 2020 appointed Shri Ram Gopal Agarwal, Shri Manish Dhanuka, Shri Mridul Dhanuka and Shri Arun Kumar Dhanuka as Additional Directors (Promoter, Non-Executive) on the Board of the Company who shall hold office up to the date of the ensuing Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier. All the four Directors are related to each other.

The Board was reconstituted on March 31, 2020 pursuant to the implementation of the Approved Resolution plan comprised of Four (4) Directors (Additional, Non-Executive and Non-Independent). However, the reconstitution of the Board and Committees in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was pending on March 31,2020.

The reconstitution of the Board and Committees in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was done at the Board meeting held on June 29, 2020 where in Dr. Dharam Vir, Shri Manoj Kumar Goyal, Smt. Tanu Singla and Shri Mudit Tandon were inducted as Additional Directors (Non-Executive, Independent).

The composition of Board and the details of directorships in other Companies and Committee positions during the year ended March 31, 2020 are as follows:

Composition of Board of Directors					
S. No	Name(s) of the Directors(s)	Category	Number of Directorship held in other ~ Public (listed and unlisted) companies as on March 31,2020	Number of Board committee positions held in other companies as on March 31,2020	
				Member *	Chairman *
1	Shri Ram Gopal Agarwal (DIN:00627386)	Promoter Group - Additional Director- Non Executive Director	1	-	-
2	Shri Manish Dhanuka (DIN:00238798)	Promoter Group - Additional Director- Non Executive Director	1	-	-
3	Shri Mridul Dhanuka (DIN: 00199441)	Promoter Group - Additional Director- Non Executive Director	2	-	-
4	Shri Arun Kumar Dhanuka (DIN: 00627425)	Promoter Group - Additional Director- Non Executive Director	2	1	-
5	Shri K Raghavendra Rao@ (DIN:0010096)	Erstwhile Managing Director	-	-	-

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

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

None of the Directors on the Board are Members in more than 10 committees or act as Chairman of more than five committees across all companies in which they are Directors.

@ Disqualified u/s 164(2) (a) until October 21, 2023. Accordingly vacated office of Managing Director as required under Section 167 of the Company Act, 2013.

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

Shri Ram Gopal Agarwal - M/s. Dhanuka Agritech Limited- Whole Time Director and Chairman
Shri Mridul Dhanuka - M/s. Dhanuka Agritech Limited- Executive Director
Shri Arun Kumar Dhanuka - M/s. Dhanuka Agritech Limited- Executive Director
None of the Directors other than as stated above are on the Board of any other listed entity.

2. Board Meetings & Attendance record of the Directors

Corporate Insolvency Resolution Process was initiated in respect of the Company under the provisions of the Insolvency and Bankruptcy Code, 2016 by an Order of the Hon'ble National Company Law Tribunal (NCLT) with effect from August 17, 2017. During the CIRP, the powers of the Board of Directors stood suspended and no meeting of the Board of Directors of the Company were held until the Completion of CIRP. However, meetings of Resolution Professional with Key Managerial Personnel and Statutory Auditors were held in lieu of Audit Committee Meetings and Meetings of Resolution Professional with Key Managerial Personnel were being held in lieu of Board Meetings.

Pursuant to the implementation of the approved Resolution plan, the Board was reconstituted on March 31, 2020 and only one Board Meeting was held during 2019-2020 (after completion of CIRP) on March 31, 2020.

Name(s) of the Director(s)	Number of Board meetings held during the Financial year 2019-2020	Number of Meetings attended	Whether attended the last AGM (Convened on December 30,2019)
	March 31,2020		
Shri Ram Gopal Agarwal Additional Director	1	- $	NA**
Shri Manish Dhanuka Additional Director	1	1	NA**
Shri Mridul Dhanuka Additional Director	1	1	NA**
Shri Arun Kumar Dhanuka Additional Director	1	1	NA**
Shri K Raghavendra Rao erstwhile Managing Director (Prior to completion of CIRP)	NA^^	NA^^	No

$ Leave of absence was granted to Shri Ram Gopal Agarwal, Additional Director who had expressed his inability to attend the meeting.

^^ No Board meetings were held prior to completion of CIRP. The erstwhile Board of Directors were deemed to have resigned pursuant to the implementation of the approved Resolution plan.

** The new Board was constituted on March 31, 2020 pursuant to the implementation of the approved Resolution plan.

Meetings held by the Resolution Professional

During the year ended March 31, 2020, pursuant to the commencement of the CIRP, 4 (four) meetings were convened by the Resolution Professional on June 03, 2019, August 12, 2019, November 14, 2019 and February 17, 2020.

The details of the meetings held by the Resolution Professional and the attendance of Directors at the meetings are as follows:

Name of the Director	Number of Resolution Professional meetings attended
Shri K Raghavendra Rao, Erstwhile Managing Director	3^

^ Disqualified u/s 164(2)(a) until October 21, 2023. Accordingly vacated office of Managing Director as required under Section 167 of the Companies Act, 2013.

Meetings of the Committees of Creditors (CoC)

Pursuant to the commencement of the CIRP, Eight (8) meetings of the CoC were held during the financial year 2019-20 on April 05, 2019, May 03,2019, May 24,2019,May 28,2019,June 04,2019, November 16,2019, December 02,2019 and February 07,2020.

Meetings of the Monitoring Committee (MC)

Pursuant to the commencement of the CIRP, Ten (10) meetings of the MC were held during the financial year 2019-20 on July 03,2019,July 12,2019, July 19,2019, December 19,2019, January 14,2020,February 06,2020,February 17,2020,February 27,2020, March 30,2020 and March 31,2020.

Joint Lenders Meeting (JLM)

During the FY 2019-20, Joint Lenders Meeting (JLM) were held on March 04, 2020 & March 16, 2020.

A consultative meeting with the Financial creditors was held on September 20, 2019.

Relationship between Directors Inter se

During the Financial Year 2019-2020, there was only one Director on the Board of the Company (Shri K Raghavendra Rao, erstwhile Managing Director) till December 2019. The Board was reconstituted on March 31, 2020 pursuant to the implementation of the approved Resolution plan and comprised of four (4) Directors (Promoter, Non-Executive, Non Independent) and all the Directors are related to each other.

Name(s) of the Director(s)	Relationship between Directors inter se
Shri Ram Gopal Agarwal Additional Director	Shri Ram Gopal Agarwal is the Cousin brother of Shri Manish Dhanuka and Shri Arun Kumar Dhanuka. Shri Mridul Dhanuka is the nephew of Shri Ram Gopal Agarwal
Shri Manish Dhanuka Additional Director	Shri Manish Dhanuka and Shri Arun Kumar Dhanuka are brothers. Shri Manish Dhanuka and Shri Ram Gopal Agarwal are Cousin brothers. Shri Mridul Dhanuka is the nephew of Shri Manish Dhanuka
Shri Mridul Dhanuka Additional Director	Shri Mridul Dhanuka is the nephew of Shri Manish Dhanuka, Shri Arun Kumar Dhanuka and Shri Ram Gopal Agarwal.
Shri Arun Kumar Dhanuka Additional Director	Shri Arun Kumar Dhanuka and Shri Manish Dhanuka are brothers. Shri Arun Kumar Dhanuka and Shri Ram Gopal Agarwal are Cousin brothers. Shri Mridul Dhanuka is the nephew of Shri Arun Kumar Dhanuka

3. Code of Conduct

The Board of Directors has laid down a Code of Conduct ("the Code") for Board members and Senior management personnel of your Company. Independent Directors shall also ensure compliance with code for Independent Director formulated in accordance with listing Regulations. The Code is posted on your Company's website (http://www.orchidpharma.com/ ir_downloads.aspx). Since the new Directors were appointed pursuant to the implementation of approved Resolution Plan after the Stock Market Trading hours on March 31, 2020, the declaration from new directors were not obtained. The Senior Management Personnel have confirmed compliance with the Code. A declaration signed by the Managing Director is attached and forms part of this Report.

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

As on March 31, 2020, no shares and convertible instruments are held by Non-Executive Directors of the Company.

However, as per the approved Resolution plan, the following allotments have been made by the Monitoring Commitee on March 31,2020 (Approvals from Stock exchanges for the corporate action are awaited) to M/s. Dhanuka Laboratories Limited ("Resolution Applicant") (DLL) where Shri Manish Dhanuka, Shri Mridul Dhanuka and Shri Arun Kumar Dhanuka, Additional Directors are Directors and Shri Ram Gopal Agarwal, Additional Director is a member.

- 3,99,90,072 Equity shares of Rs.10/- each aggregating to Rs. 39.99 crores pursuant to Equity infusion as per approved Resolution plan.
- 10,000 Equity shares of Rs.10/- each aggregating to Rs. 0.01 crores. (Pursuant to Scheme of Amalgamation of M/s Dhanuka Pharmaceuticals Private Limited ("DPPL") with and into M/s Orchid Pharma Limited as per approved Resolution plan) (DLL is the Sole shareholder in DPPL).
- 14,300 Zero Coupon, Optionally Convertible, Non-marketable Debentures of Rs. 1,00,000 each aggregating to Rs. 143 crores (Rupees One Hundred Forty Three Crores only) were issued on private placement basis.

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

During the year, there were no Independent Directors on the Board of the Company and no meetings of the Independent Directors could be held and also the familiarization programme for the Independent Directors could not be conducted.

Further, pursuant to the order of the Hon'ble NCLT dated June 27, 2019, subsequently upheld by Hon'ble Supreme Court of India dated February 28, 2020, the Additional directors were appointed by the Monitoring Committee on March 31, 2020. The Board of Directors of your company had appointed the following Independent Directors on the Board of the Company in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with effect from June 29, 2020:

<table>
<tr><th>Name and designation of the Director</th><th>Category</th><th>Date of appointment</th></tr>
<tr><td>Dr. Dharam Vir
Additional Director</td><td>Non-Executive, Independent</td><td rowspan="4">June 29,2020</td></tr>
<tr><td>Shri Mudit Tandon
Additional Director</td><td>Non-Executive, Independent</td></tr>
<tr><td>Smt. Tanu Singla
Additional Director</td><td>Non-Executive, Independent</td></tr>
<tr><td>Shri Manoj Kumar Goyal
Additional Director</td><td>Non-Executive, Independent</td></tr>
</table>

6 (a) Chart or matrix setting out Skill/ Expertise/ Competence of the Board of Directors as on March 31, 2020

The Board has identified core skills/expertise/competencies required in the Directors for effectively managing the Company's business operations and those possessed by the Board members

No.	Broad categories of skills	Core Skill/ Expertise/ Competencies identified by the Board	Whether the skills set/ area of expertise / knowledge is possessed by the Directors of the Company			
			Shri Ram Gopal Agarwal Additional Director	Shri Manish Dhanuka Additional Director	Shri Arun Kumar Dhanuka Additional Director	Shri Mridul Dhanuka Additional Director
1	Leadership and Management	Trait of creating an inspiring vision, motivating people to engage with that vision and manage delivery of the vision	Yes	Yes	Yes	Yes
2	Industry knowledge (Pharma Industry)	Knowledge of the Pharma industry and general understanding of government legislation/legislative process with respect to governance of the Board affairs Understanding of Pharma sector with specific emphasis on various factors influencing the business in the sector	Yes	Yes	Yes	Yes
3	Business acumen	Ability to combine experience, knowledge & perspective to make sound business decisions.	Yes	Yes	Yes	Yes
4	Strategic thinking	Ability to identify opportunities, critical evaluation of the same and plan for successful implementation, to achieve desired business goal.	Yes	Yes	Yes	Yes
5	Sales and Marketing	Thorough understanding of market and ability to deploy most innovative and effective marketing strategies supported by best use of technology Experience in developing strategies to grow sales, and market share	Yes	Yes	Yes	Yes
6	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 considera-tions and issues	Yes	Yes	Yes	Yes
7	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.	Yes	Yes	Yes	Yes
8	Governance	Compliance focus and strategic thinking /planning from governance aspect	Yes	Yes	Yes	Yes
9	International/ Global knowledge	Awareness about relevant markets at global level and diversification of Company's business, global trends	Yes	Yes	Yes	Yes

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

There were no Independent Directors on the Board of the Company during the financial year 2019-2020, accordingly the above captioned confirmation is not applicable.

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

Not applicable.

7. Board Committees

The provisions as specified in Regulations 18, 19, 20 and 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were not applicable during the CIRP in respect of a listed entity which is undergoing Corporate Insolvency Resolution Process under the Insolvency Code provided that the roles and responsibilities of the committees specified in the respective regulations shall be fulfilled by the Interim Resolution Professional or Resolution Professional /Monitoring Agent as authorised by Monitoring Committee.

Pursuant to the approved Resolution plan, the Board was reconstituted by the Monitoring Committee on March 31, 2020. No Committee meetings of the reconstituted Board were held on March 31, 2020.

8. Audit Committee

Prior to commencement of CIRP, Audit Committee was constituted by the Board of Directors in accordance with the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. The provisions as specified in Regulations 18, 19, 20 and 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were not applicable during the Insolvency Resolution process period.

Pursuant to the implementation of the approved Resolution plan, the Audit Committee was reconstituted by the Board of Directors on March 31, 2020. The Audit Committee Constituted by Board of Directors was as follows:

COMPOSITION OF THE AUDIT COMMITTEE

Name of Committee Members	Category~~	Committee Position	Date of Appointment
Shri Manish Dhanuka	Non-Executive - Non Independent Director	Member	31-03-2020
Shri Mridul Dhanuka	Non-Executive - Non Independent Director	Member	31-03-2020

~~ No Independent Directors were on the Board of the Company as on March 31, 2020. Accordingly, the constitution of the Audit Committee and appointment of Chairman of Audit Committee in accordance with the Companies Act, 2013 and SEBI (LODR) Regulations was pending as on March 31, 2020.

The Audit Committee was duly reconstituted in accordance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by the Board at their meeting held on June 29, 2020. The Audit Committee comprised of three (3) Directors as on June 29, 2020, the details of which are enumerated below:

Name of Committee Members	Category~~	Committee position	Date of Appointment
Shri Manoj Kumar Goyal	Non-Executive- Independent	Chairman	29-06-2020
Shri Mridul Dhanuka	Promoter-Executive-Whole Time Director[&]	Member	31-03-2020
Smt Tanu Singla	Non-Executive- Independent	Member	29-06-2020

[&] Shri Mridul Dhanuka was appointed as the Non-Executive Director by the Board with effect from March 31, 2020, Further, he was appointed as Executive Director with effect from June 29, 2020.

Meetings and attendance of Audit Committee during the year

Pursuant to the ongoing CIRP, no Independent Directors were on the Board of the Company during the financial year 2019-2020.

Further to the reconstitution of the Board on March 31, 2020 as per the approved Resolution Plan, the constitution of the Audit Committee in accordance with the Companies Act, 2013 and SEBI (LODR) Regulations was pending as on March 31, 2020.

No meeting of Audit Committee was held during the Financial Year 2019-2020.

Brief description of terms of reference

The Terms of reference specified by Board are described:

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

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

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

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

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

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

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

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

In addition, the committee shall discharge such other role/function as envisaged under Regulation 18 of the Listing Regulations and the provisions of Section 177 of the Companies Act, 2013.

The Company Secretary is the Secretary of the Audit Committee.

9. Nomination and Remuneration Committee (NRC)

Prior to the commencement of CIRP with effect from 17th August, 2017, the Nomination and Remuneration Committee had been constituted by the Board of Directors in accordance with the requirement of section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. The provisions as specified in Regulations 18, 19, 20 and 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were not applicable during the Insolvency Resolution process period. Pursuant to the implementation of the approved Resolution plan, the Nomination and Remuneration Committee was reconstituted by the Board of Directors on March 31, 2020. The Nomination & Remuneration Committee Constituted by Board of Directors is an on March 31, 2020 is as follows:

COMPOSITION OF THE NOMINATION AND REMUNERATION COMMITTEE

Name of Committee Members	Category$$	Committee Position	Date of Appointment
Shri Manish Dhanuka	Non-Executive - Non Independent Director	Member	31-03-2020
Shri Arun Kumar Dhanuka	Non-Executive - Non Independent Director	Member	31-03-2020

~~ No Independent Directors were on the Board of the Company as on March 31, 2020. Accordingly, the constitution of the Nomination and Remuneration Committee and appointment of Chairman of Nomination and Remuneration Committee in accordance with the Companies Act, 2013 and SEBI (LODR) Regulations was pending as on March 31, 2020.

The Nomination and Remuneration Committee was duly reconstituted in accordance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by the Board at their meeting held on June 29, 2020.

The Nomination and Remuneration Committee comprised of three (3) Directors as on June 29, 2020, the details of which are enumerated below:

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

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

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees;
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
3. Devising a policy on diversity of Board of Directors;

4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommended to the Board of Directors for their appointment and removal.

5. Whether to extend or continue the terms of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Director.

6. Recommend to the Board of Directors, all remuneration in whatever form payable to senior management.

Meetings and attendance of the Nomination and Remuneration Committee during the year

No meeting of Nomination & Remuneration Committee was held during the FY 2019-20.

Performance Evaluation of Board of Directors/ Committees / Independent Directors

Since the commencement of CIRP, the powers of Board of directors have been suspended and the same were exercised by Interim Resolution Professional / Resolution Professional / Monitoring agent as authorized by Monitoring Committee.

Further, pursuant to the order of the Hon'ble NCLT dated June 27, 2019, subsequently upheld by Hon'ble Supreme Court of India dated February 28, 2020, four (4) directors were appointed by the Monitoring Committee on March 31, 2020.

Accordingly, the evaluation of Board of Directors, its committees and Independent Directors could not be carried out. The criteria for performance evaluation covers inter-alia the following areas relevant to their functioning as Independent Directors, members of Board or Committees of the Board such as Attendance to the Board and Committee meetings, and active participation thereof, Flow of information to the Board, Experience and competencies, inputs provided and its impact on the Company, performance of specific duties and obligations, etc.,

Details of the Remuneration and Sitting Fees paid to the Directors for the financial Year 2019-20 are given below:

Name(s) of the Director(s)	Remuneration paid during the year 2019-20 (In Rs.)					No. of Stock Options
	Salary	Commission / bonus	Sitting fees	Others	Total@^	
Shri K Raghavendra Rao, Managing Director @	9,00,000	–	–	2,20,000	11,20,000	–
Shri Ram Gopal Agarwal, Additional Director@^	–	–	–	–	–	–
Shri Manish Dhanuka, Additional Director@^	–	–	–	–	–	–
Shri Mridul Dhanuka, Additional Director@^	–	–	–	–	–	–
Shri Arun Kumar Dhanuka, Additional Director@^	–	–	–	–	–	–

@ Disqualified u/s 164(2)(a) until October 21, 2023 as per Chennai list published by Registrar of Companies, Chennai during December 2019. Accordingly vacated office of Managing Director under Section 167 of the Act.

@^ No sitting fee was paid for the Board meeting held on March 31,2020 to the four Additional Directors who were inducted on March 31, 2020 as per approved Resolution plan.

Criteria of making payments to Non-Executive directors

Pursuant to section 178 of Companies Act, 2013 and the Listing Regulations, the Nomination and Remuneration Committee has laid down criteria and terms and conditions relating to Nomination and remuneration of the directors, Senior Management and Key Managerial Personnel. The detailed policy is posted on your company's website.
http://www.orchidpharma.com/downloads/NOMINATION_AND_REMUNERATION_POLICY.pdf

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

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

No sitting fee was paid to the new Board of Directors for their meeting convened on March 31, 2020.

10. Stakeholder Relationship Committee (SRC)

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

Pursuant to the implementation of the approved Resolution plan, the Stakeholder Relationship Committee was reconstituted by the Board of Directors on March 31, 2020. The Stakeholder Relationship Committee constituted by Board of Directors as on March 31, 2020 was as follows:

COMPOSITION OF THE STAKE HOLDER RELATIONSHIP COMMITTEE

Name of the Director	Category	Committee position	Date of Appointment
Shri Manish Dhanuka	Non-Executive - Non Independent Director	Member	31-03-2020
Shri Arun Kumar Dhanuka	Non-Executive - Non Independent Director	Member	31-03-2020

The constitution of the Stakeholder Relationship Committee and appointment of Chairman of Stakeholder Relationship Committee in accordance with the Companies Act, 2013 and SEBI (LODR) Regulations was pending as on March 31, 2020. The Stakeholder Relationship Committee was duly reconstituted in accordance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by the Board at their meeting held on June 29, 2020.

Name of Committee Members	Category	Committee position	Date of Appointment
Dr DharamVir	Non-Executive- Independent	Chairman	29-06-2020
Shri Arun Kumar Dhanuka	Non-Executive- Non-Independent	Member	31-03-2020
Smt Tanu Singla	Non-Executive- Independent	Member	29-06-2020

The Stakeholders Relationship Committee was further reconstituted on September 07, 2020 by the Board of Directors with the following members :

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

Meeting and attendance:

No meeting of Stakeholders Relationship Committee was held during the financial year 2019-2020.

Detail of complaints received and resolved during the year:

During the year, the company received 5 complaints and all the complaints were resolved to the satisfaction of the investors and there are no pending complaints as on March 31, 2020.

Dr. Dharam Vir, Non-Executive, Independent Director has been appointed as the Chairman of the SRC with effect from June 29, 2020. The Board had designated Shri L Chandrasekar, Executive VP-Finance & Secretary as the Compliance Officer (till June 30, 2019) and subsequently Ms. Nikita K was appointed as the Company Secretary and Compliance Officer with effect from March 05, 2020.

11. Banking, Finance and Operations Committee

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

COMPOSITION OF BANKING, FINANCE AND OPERATIONS COMMITTEE

Name of Committee Members	Category	Committee position	Date of Appointment
Shri Manish Dhanuka	Non-Executive- Non Independent Director	Chairman	31-03-2020
Shri Arun Kumar Dhanuka	Non-Executive- Non Independent Director	Member	31-03-2020
Shri Mridul Dhanuka	Non-Executive-Non Independent Director	Member	31-03-2020

The Committee is entrusted with powers to monitor and review and take care of the various routine banking, financial (including borrowings monies) and operational matters of the Company. No meeting of Banking, Finance and Operations Committee was held during the Financial Year 2019-20.

General Body meetings

12. Details of Annual/Extraordinary General Meetings and Location and Time of the General Meetings held in the past three (3) years

All the resolutions including the special resolutions set out in the respective notices were passed by the shareholders with more than requisite percentage (%) of votes, as prescribed under the Act.

Year	AGM / EGM	Location	Special resolutions passed	Date	Time
2019	AGM	Sri Thyaga Brahma Gana Sabha (Vani Mahal), No.103, G N Chetty Road, Parthasarathi Puram, T Nagar, Chennai -600 017, Tamil Nadu.	-NIL-	December 30, 2019	11.00 AM
2018	AGM	Sri Thyaga Brahma Gana Sabha (Vani Mahal), No.103, G N Chetty Road, Parthasarathi Puram, T Nagar, Chennai -600 017, Tamil Nadu.	-NIL-	December 12, 2018	11.00 AM
2017	AGM	The Music Academy, Old no.306, New no. 168, TTK Road, Royapettah, Chennai - 600 014, Tamil Nadu.	- NIL -	September 13, 2017	10.30 AM

No Extra-ordinary General Meeting of the members of the Company was convened during the financial year 2019-2020.

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

The Company has not conducted any postal ballot during the year ended March 31, 2020, pursuant to Section 110 of the Companies Act, 2013. The Company presently does not envisage any business to be conducted through postal ballot as of the date of the report.

13. Means of Communication:

- Financial Results are published by the Company in Trinity Mirror and Makkal Kural.
- Results are also uploaded on the website of the company (www.orchidpharma.com). Official news releases are also updated on the site.)
- The Company has an internet portal to communicate with its employees.
- Key developments are communicated to the Stock Exchanges and media as and when they occur.
- No Presentations were made to the Institutional investors or to the Analysts during the financial year 2019-20. However, information memorandum was prepared and shared with prospective Resolution applicants as per CIRP.

14. General Shareholder Information

General Shareholder Information		
1	Registered Office	CIN:L24222TN1992PLC022994 'ORCHID TOWERS', No. 313, Valluvar Kottam High Road, Nungambakkam, Chennai - 600 034, Tamil Nadu, India.
2	Date, Time and Venue of 27^{th} Annual General Meeting (AGM)	Wednesday, December 30, 2020 at 12:00 Noon through Video Conference ("VC") / Other Audio Visual Means ("OAVM") The Registered Office of the Company i.e., "ORCHID TOWERS", No. 313, Valluvarkottam High road, Nungambakkam, Chennai -600034 Tamil Nadu, India shall be deemed to be the venue of the meeting.
3	Book Closure Date	Wednesday December 23, 2020 to Wednesday December 30, 2020 (both days inclusive)
4	Financial Calendar	1^{st} April to 31^{st} March
	Financial reporting for -	Tentative date
	Quarter ending June 30, 2020	On or before September 15,2020*
	Quarter ending September 30, 2020	On or before November 14,2020
	Quarter ending December 31, 2020	On or before February 14,2021
	Quarter ending March 31, 2021	On or before May 30,2021

General Shareholder Information		
5	Dividend Payment Date	No Dividend was declared during the year 2019-20 and accordingly not applicable.
6	The Equity Shares of Rs.10/- each are listed at	**National Stock Exchange of India Limited** "Exchange Plaza", Plot No, C/1, G Block Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra, India Tel: 91-22-26598100, Fax : 91-22-26598120
		BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street Mumbai - 400 001, Maharashtra, India Tel : 91-22-22721233 ,Fax : 91-22-22721919
7	Global Depository Receipts (GDR's) are listed at	**Luxembourg Stock Exchange** Boursede Luxembourg, 35A Boulevard Joseph II, L-1840 Luxembourg. Telephone: +352 47 79 36 - 1, Fax: +352 47 32 98.
		London Stock Exchange Registered Office: 10, Paternoster Square, London EC4M 7LS
8	Listing Fees	Listing Fees has been paid for all the above Indian Stock Exchanges for the year 2019-20.

*SEBI had vide its circular bearing reference SEBI/HO/CFD/CMD1/CIR/P/2020/140 dated July 29,2020 has extended the timeline for submission of financial results under Regulation 33 of the SEBI (LODR) Regulations, 2015 for the quarter/half year/financial year ended 30th June 2020 to September 15, 2020.

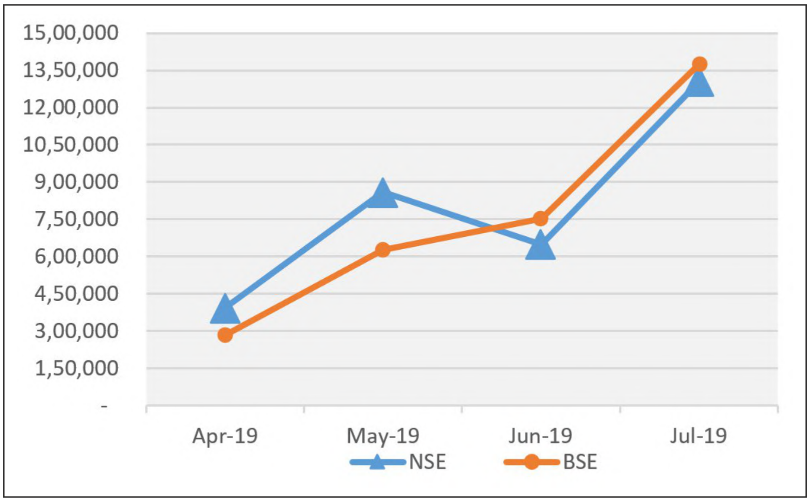
Stock Market Data

a) Monthly high and low quotations along with the volume of shares traded at NSE and BSE for 2019-20 are:

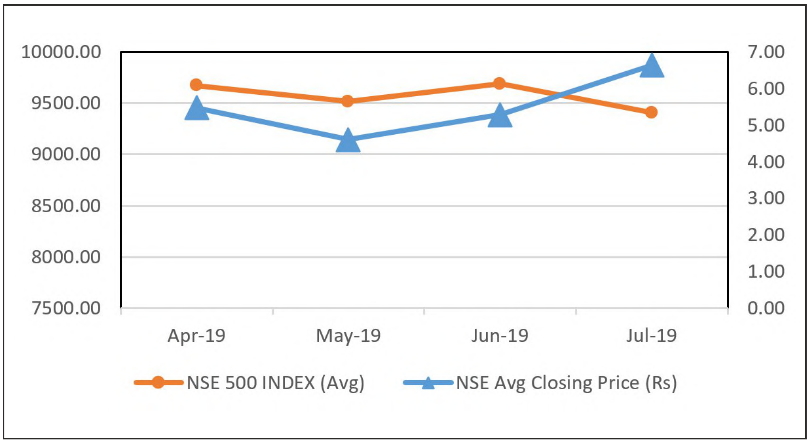
Month	NSE [1]			NSE 500 Index (AVG)	BSE [1]			BSE 500 Index (AVG)
	High (Rs.)	Low (Rs.)	Volume of shares (Nos)		High (Rs.)	Low (Rs.)	Volume of shares (Nos)	
Apr-19	6.15	4.95	3,93,103	9670.06	6.15	5.00	2,82,741	15319.86
May-19	5.25	3.90	8,58,635	9517.31	5.24	3.83	6,26,897	15064.34
Jun-19	6.65	4.30	6,49,032	9688.10	6.82	4.24	7,54,011	15339.33
Jul-19	8.25	5.00	13,05,739	9405.73	8.37	5.25	13,74,741	14892.61
Aug-19	Not Traded				Not Traded			
Sep-19								
Oct-19								
Nov-19								
Dec-19								
Jan-20								
Feb-20								
Mar-20								
Total			**32,06,509**				**30,38,390**	

[1]The Record Date (July 27, 2019) for implementing the Capital reduction programme was fixed as per the Resolution plan submitted by M/s. Dhanuka Laboratories Limited which was approved by the Hon'ble NCLT, Chennai on June 25 /27, 2019 and subsequently upheld by the Hon'ble Supreme Court of India. Hence the shares were not traded after July 24, 2019. The trading in the shares of the Company were suspended pursuant to the Reduction and Consolidation of share capital envisaged under the approved Resolution plan.

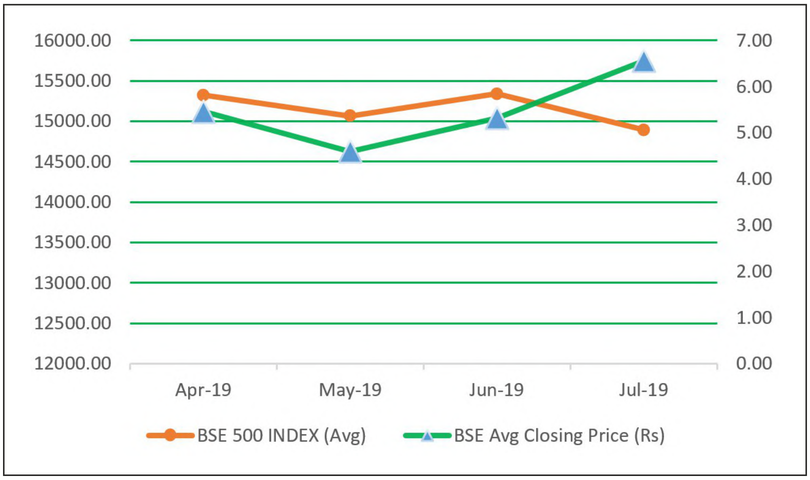
b) Graphical representation of volume of shares traded of Orchid during the year 2019-20 upto July 2019



c) Comparison of broad based indices of NSE with share price of Orchid during the year 2019-20 upto July 2019



d) Comparison of broad based indices of BSE with share price of Orchid during the year 2019-20 upto July 2019



Stock Exchange Security Code and other related Information

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

EQUITY HISTORY OF THE COMPANY SINCE INCORPORATION OF THE COMPANY UP TO MARCH 31, 2020

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

Date	Particulars	Number of Shares	
		Issued	Cumulative
18-Apr-06	Allotment pursuant to conversion of FCCBs	4,14,744	6,50,32,926
28-Apr-06	Allotment pursuant to conversion of FCCBs	7,37,325	6,57,70,251
28-Apr-06	Allotment pursuant to exercise of ESOS	3,475	6,57,73,726
31-May-06	Allotment pursuant to conversion of warrants	35,000	6,58,08,726
31-May-06	Allotment pursuant to exercise of ESOS	3,015	6,58,11,741
19-Oct-06	Allotment pursuant to exercise of ESOS	4,000	6,58,15,741
19-Jan-07	Allotment pursuant to exercise of ESOS	550	6,58,16,291
03-May-07	Allotment pursuant to exercise of ESOS	6,085	6,58,22,376
17-Jul-07	Allotment pursuant to exercise of ESOS	5,650	6,58,28,026
18-Oct-07	Allotment pursuant to exercise of ESOS	6,000	6,58,34,026
20-Dec-07	Allotment pursuant to exercise of ESOS	3,000	6,58,37,026
17-Jan-08	Allotment pursuant to exercise of ESOS	13,750	6,58,50,776
26-Apr-08	Allotment pursuant to exercise of ESOS	9,425	6,58,60,201
29-May-08	Allotment pursuant to exercise of ESOS	16,375	6,58,76,576
13-Aug-08	Allotment pursuant to conversion of warrants	3,81,000	6,62,57,576
13-Aug-08	Allotment pursuant to exercise of ESOS	4,000	6,62,61,576
29-Aug-08	Allotment pursuant to conversion of warrants	41,79,000	7,04,40,576
29-Aug-08	Allotment pursuant to exercise of ESOS	1,500	7,04,42,076
17-May-12	Allotment pursuant to exercise of ESOS	10,000	7,04,52,076
22-Dec-14	Allotment pursuant to Preferential Allotment to Promoters	1,48,09,801	8,52,61,877
09-Oct-15	Allotment pursuant to Preferential Allotment to Promoters	37,02,450	8,89,64,327
		8,89,64,327	
30-Mar-20	Reduction and consolidation of share capital as per approved Resolution plan##	4,08,164	4,08,164
30-Mar-20	Allotment of Equity shares on Preferential basis to eligible Secured Financial Creditors pursuant to conversion of loan into equity (Part)##	4,08,164	8,16,328
31-Mar-20	Allotment of Equity shares to M/s. Dhanuka Laboratories Limited pursuant to Equity infusion as per Approved Resolution Plan##	3,99,90,072	4,08,06,400
31-Mar-20	Allotment of Equity shares to M/s. Dhanuka Laboratories Limited pursuant to Scheme of Amalgamation as per Approved Resolution Plan##	10,000	4,08,16,400
	Total	**4,08,16,400##**	

Distribution of Shareholding prior to Capital Reduction and Consolidation /implementation of the Resolution plan:

No of equity Shares held	March 31, 2020##			March 31, 2019		
	No of shares	No of Shareholders	% of Shareholders	No of shares	No of Shareholders	% of Shareholders
1-500	98,45,119	68,381	80.52	99,74,331	69,125	80.51
501-1000	65,52,073	7,902	9.30	66,36,330	8,005	9.32
1001-2000	65,91,710	4,242	5.00	66,99,172	4,301	5.01
2001-3000	38,80,908	1,499	1.77	39,10,313	1,513	1.76
3001-4000	25,18,564	694	0.82	25,37,900	699	0.81
4001-5000	28,96,001	606	0.71	29,99,511	629	0.73
5001-10000	66,45,911	899	1.06	66,64,983	903	1.05
10001 & above	5,00,34,041	696	0.82	4,95,41,787	692	0.81
TOTAL	**8,89,64,327**	**84,919**	**100.00**	**8,89,64,327**	**85,867**	**100.00**

Dematerialization of Shares

The shares of the Company are in compulsory demat segment and are available for trading in both the depository systems, namely, National Securities Depository Limited and Central Depository Services (India) Limited. Shares dematerialised up to March 31, 2020 are:

No. of Shares	% of Shares	No. of Shareholders	% of Shareholders
8,87,69,714	99.78	83504	98.33

As per the Resolution plan approved by the Honourable National Company Law Tribunal, Chennai Bench vide its order dated June 27, 2019, the Hon'ble National Company Law Appellate Tribunal vide its order dated November 13, 2019 and the Hon'ble Supreme Court vide its order dated February 28, 2020 (received on March 02, 2020), the Corporate actions enumerated below were approved by the Monitoring Committee at their meeting held on March 30, 2020 and March 31,2020.The Company has made necessary applications for these corporate actions and the approval for these Corporate actions from Stock exchanges, where the shares are listed are awaited. The Paid up capital of the Company after implementation of all the Corporate actions as per approved Resolution plan for the Company is Rs.40,81,64,000/- (Comprising of 4,08,16,400 Equity shares of Rs.10/-each). However, the new paid up capital is not reflected as the approval from the Stock exchanges for the corporate actions as per the approved Resolution plan was pending on March 31, 2020.The listing & trading approvals for Reduction & Consolidation was accorded by NSE Ltd. & BSE Ltd. on October 29, 2020. The corporate action for Reduction & Consolidation was executed during October 2020.

1. The existing issued, subscribed and paid-up equity share capital of the Company shall be reduced and consolidated from Rs.88,96,43,270 divided into 8,89,64,327 equity shares of Rs.10/- each to Rs.40,81,640 divided into 4,08,164 equity shares of Rs.10/- each thereby cancelling and extinguishing 8,85,56,163 equity shares of Rs. 10/- each
2. Allotment of 4,08,164 Equity shares of Rs.10/- each on preferential basis to eligible Secured Financial creditors pursuant to conversion of loan (Part) into equity
3. Allotment of 3, 99,90,072 equity shares of Rs.10/- each to M/s. Dhanuka Laboratories Limited ("Resolution Applicant") pursuant to Equity infusion
4. Allotment of 10,000 equity shares of Rs.10/- each to M/s. Dhanuka Laboratories Limited ("Resolution Applicant") (DLL is the sole shareholder of M/s Dhanuka Pharmaceuticals Private Limited which was amalgamated with and into Orchid Pharma Limited) pursuant to Scheme of Amalgamation as per approved Resolution plan.

Suspension of trading of shares

The Equity shares of the company are traded in National Stock Exchange of India Ltd and BSE Ltd. The Equity shares of the company has been suspended from trading after July 24,2019 during the financial year 2019-20.The Equity Shares were not traded after July 24, 2019 as a result of the Company announcing the record date (July 27, 2019) for implementing the capital reduction programme fixed as per the resolution plan submitted by M/s. Dhanuka Laboratories Limited which was approved by the Hon'ble NCLT, Chennai on June 25/27, 2019 and subsequently upheld by the Hon'ble Supreme Court of India vide Order dated February 28,2020 (received by the Company On March 02,2020).

Reconciliation of Share Capital Audit

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

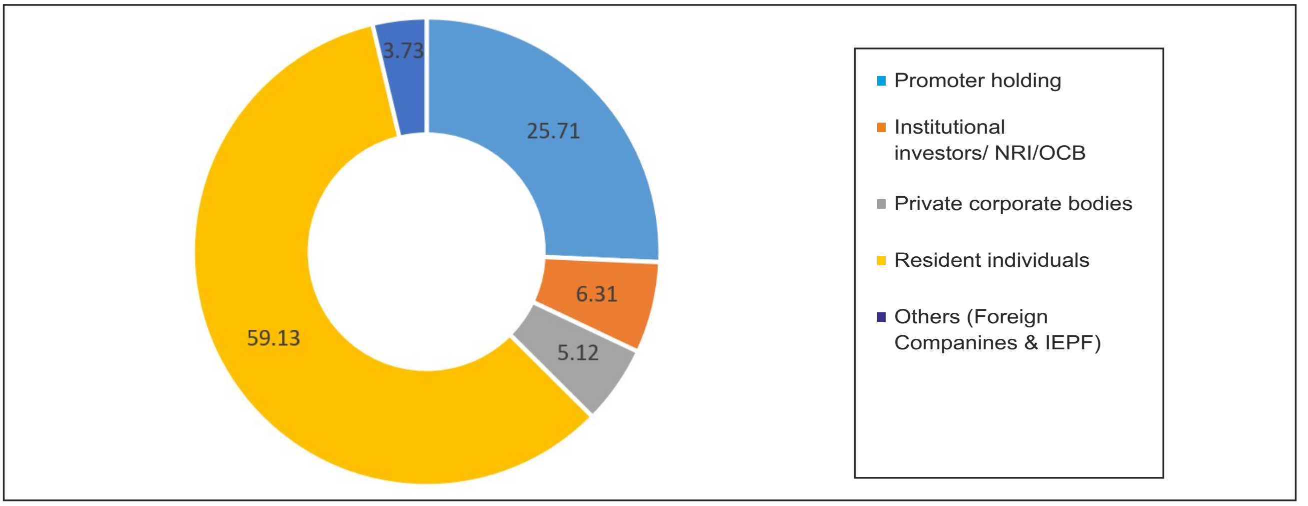
Shareholding Pattern as on March 31, 2020## prior to Capital Reduction and Consolidation /implementation of the Resolution plan)

	Category	No of Shares Held	% of Shareholding
A	**PROMOTER HOLDING**		
1	Promoters / Promoter Group		
	(a) Indian	2,28,73,782	25.71
	(b) Foreign	-	-
	Sub-Total (1)	**2,28,73,782**	**25.71**

	Category	No of Shares Held	% of Shareholding
B	**NON-PROMOTER HOLDING**		
2	**Institutional Investors**		
	(a) Mutual Funds	550	0.00
	(b) Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-government Institutions)	31,89,325	3.58
	(c) Foreign Institutional Investors (FIIs)	6,83,402	0.77
	Sub-Total (2)	**38,73,277**	**4.35**
3	**OTHER INVESTORS**		
	(a) Private Corporate Bodies	45,54,047	5.12
	(b) Indian Public (Resident Individuals)	5,26,02,517	59.13
	(c) Non Resident Indians / Overseas Corporate Bodies	17,42,585	1.96
	(d) Foreign Companies	32,41,688	3.64
	e) Others - IEPF	76,431	0.09
	Sub Total (3)	**6,22,17,268**	**69.94**
	GRAND TOTAL (1+2+3)	**8,89,64,327**	**100.00**

As per the Resolution plan approved by the Honourable National Company Law Tribunal, Chennai Bench vide its order dated June 27, 2019, the Hon'ble National Company Law Appellate Tribunal vide its order dated November 13, 2019 and the Hon'ble Supreme Court vide its order dated February 28, 2020 (received on March 02, 2020), the Corporate actions enumerated below were approved by the Monitoring Committee at their meeting held on March 30, 2020 and March 31,2020. The company has made necessary applications for these corporate action and the approval for these Corporate actions from Stock exchanges, where the shares are listed are awaited. The Paid up capital of the Company after implementation of all the Corporate actions as per approved Resolution plan for the Company is Rs.40,81,64,000/- (Comprising of 4,08,16,400 Equity shares of Rs.10/-each). However, the new paid up capital is not reflected as the approval from the Stock exchanges for the corporate actions as per the approved Resolution plan was pending on March 31, 2020.The listing & trading approvals for Reduction & Consolidation was accorded by NSE Ltd. & BSE Ltd. on October 29, 2020. The corporate action for Reduction & Consolidation was executed during October 2020.

1. The existing issued, subscribed and paid-up equity share capital of the Company shall be reduced and consolidated from Rs.88,96,43,270 divided into 8,89,64,327 equity shares of Rs.10/- each to Rs.40,81,640 divided into 4,08,164 equity shares of Rs.10/- each thereby cancelling and extinguishing 8,85,56,163 equity shares of Rs. 10/- each
2. Allotment of 4,08,164 Equity shares of Rs.10/- each on preferential basis to eligible Secured Financial creditors pursuant to conversion of loan (Part) into equity
3. Allotment of 3, 99,90,072 equity shares of Rs.10/- each to M/s. Dhanuka Laboratories Limited ("Resolution Applicant") pursuant to Equity infusion
4. Allotment of 10,000 equity shares of Rs.10/- each to M/s. Dhanuka Laboratories Limited ("Resolution Applicant") (DLL is the sole shareholder of M/s Dhanuka Pharmaceuticals Private Limited which was amalgamated with and into Orchid Pharma Limited) pursuant to Scheme of Amalgamation as per approved Resolution plan.



Global Depositary receipts (GDRs) / Convertible instruments

The number of GDRs outstanding as on March 31, 2020 are 32,26,688 out of the total number of 8,89,64,327 equity shares of the Company. Each GDR is represented by an underlying equity share. As per the approved Resolution Plan, the outstanding GDR's stands reduced pursuant to the Reduction and Consolidation of share capital as envisaged in the approved Resolution plan. However, the corporate action for Reduction and Consolidation of share capital is pending execution as on March 31, 2020.

As per the approved Resolution plan, your Company has issued 14,300 Zero Coupon, Optionally Convertible Non-marketable Debentures of Rs.1,00,000/- aggregating to Rs.143 Crores to M/s. Dhanuka Laboratories Limited. The tenor of the OCDs shall be Ten (10) years or such further period as may be mutually discussed between the Company and OCDs holder.

In case, the OCD holders exercise their option to convert the same, then the said conversion shall happen only on the basis of face value of each of the OCD and no interest shall be payable to the OCD holders. However, if the OCD holders opt not to exercise their option for conversion, then the OCD holders shall be entitled to redemption premium of at least 11 % IRR on annual basis on the amount of the said OCDs or such higher amount as the Board decides after considering the market price of shares of the Company and the achievement of EBIDTA; however in any case, redemption premium shall not exceed beyond 18% IRR on an annual basis. The said OCD, till the time it is not converted into equity shares, shall not be listed on any stock exchange in India and are permitted to be transferred only with the permission of the Board of Directors of the Company. Further there shall be no redemption of OCDs, including payment of interest/ other kind of return of what so ever nature thereon, until entire outstanding of the loan availed from Union Bank of India is paid in full to the lender. The OCD holder, any time during the tenor shall have the right to convert whole or any part of OCDs into equity shares of Rupees 10/- each at par of Company ("OCD Conversion shares") and accordingly, each OCD of Rupees One Lakh will be converted into 10,000 equity shares having face value of Rs.10 each ("OCD Conversion ratio")

Share Transfer System

As required under Regulation 7 (1) of Listing Regulations, your company has appointed M/s Integrated Registry Management Services Private Limited, 2nd Floor, Kences Towers, No 1, Ramakrishna Street, North Usman Road, T Nagar, Chennai – 600 017, Tamil Nadu, India as the Registrar and Share Transfer Agents for facilitating demat segments. No Stakeholders Relationship Committee meeting was held during the year 2019-20. However, the roles and responsibilities of the Stakeholder Relationship Committee as specified in the respective regulations were fullfilled by the Resolution Professional / Monitoring Agent as authorised by the Monitoring Committee of your Company. Securities lodged for transfer with the Registrar are processed within 15 days from the date of lodgement.

Unclaimed Dividends

Pursuant to Section 123 of the Companies Act, 2013, the unclaimed dividend amounting to Rs.13,22,256/- (Rupees Thirteen Lakhs Twenty Two Thousand Two Hundred and Fifty Six Only) pertaining to the financial year 2011-12 was transferred to the Investor Education and Protection Fund (IEPF) in November 2019. The Shareholders can get back the unpaid dividend from IEPF by filing e-form IEPF-5. Upon filing the said e-form the shareholder shall write to the Company/ Registrar for completing the other procedural formalities in this regard.

The Company has not declared any dividend after the financial year 2011-12 and hence transfer of unclaimed dividend amount to IEPF does not arise during the financial year 2020-21. During the year under review, the Company could not transfer the shares to the Investor Education and Protection Fund Authority in terms of Section 124(6) of the Companies Act,2013 read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time)

Equity Shares in the Suspense Account prior to capital Reduction and Consolidation /Implementation of the Resolution Plan

As per Regulation 34(3) of the Listing Regulations read along with Schedule V of the said regulations, the Company reports the following details in respect of equity shares lying in the suspense account which were issued pursuant to the Public Issue/Bonus Issue/Rights Issue of the Company and unclaimed as on March 31, 2020:

S.No	Particulars	No. of shareholders	No. of equity shares
1	Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2019	33	1968
2	Number of shareholders who approached the Company for transfer of shares from suspense account during the year	NIL	NIL
3	Number of shareholders to whom shares were transferred from the suspense account during the year	NIL	NIL
4	Less: Transfer to IEPF authority	NIL	NIL
5	Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2020	33	1968

The voting rights on the shares outstanding in the suspense account as on March 31, 2020 shall remain frozen till the rightful owner of such shares claims the shares. As per Regulation 39 of the Listing Regulations read along with Schedule VI of the said regulation, three reminders were issued for shares issued in physical form, which remain unclaimed. The Company has transferred these shares into one folio in the name of "Unclaimed Suspense Account" and dematerialised the same with one of the Depository participant.

ECS Mandate

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

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

During the year, CARE (CARE Ratings Ltd) has reviewed the rating to the Company, the credit rating of Long term bank facility, CARE D-; Issuer not cooperating and Long term / Short term bank facilities, CARE D-; Issuer not cooperating.

Further, during October 2020, CARE had assigned a credit rating of CARE BB+, Stable for the long term bank facilities and credit rating of CARE A4 + for the short term bank facilities availed by the Company.

Plant Locations:

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

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

b) Formulations (Finished Dosage Form) Facilities

I) A10/A11, SIDCO Industrial Estate Alathur, Kancheepuram Dist, Pin 603 110, Tamil Nadu, India

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

iii) Plot Nos. B5 (Part) and B6 (Part), SIPCOT Industrial Park, Irungattukottai, Sriperumbudur (TK), Pin 602 105, Tamil Nadu, India.

Investor Contacts

a) Investor Correspondence / Compliance Officer/Nodal Officer

Ms. Nikita.K, Company Secretary
Orchid Pharma Limited
"Orchid Towers", 313 Valluvar Kottam High Road
Nungambakkam, Chennai – 600 034.
Phone: (044) - 2824 4910 / 2824 4330;
Fax: (044) – 2821 1002
E-mail: nikitak@orchidpharma.com
Website: www.orchidpharma.com

b) Registrar and Share Transfer Agent

Integrated Registry Management Services Private Limited
2nd Floor, Kences Towers, No 1, Ramakrishna Street, North Usman Road, T Nagar, Chennai – 600 017, Tamil Nadu, India.
Tel : 91-44-28140801 – 03, Fax : 91-44-28142479
E-Mail : corpserv@integratedindia.in
Website : www.integratedindia.in

Other Disclosures

Materially Significant Related Party Transaction

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the year under review were on an arm's length price basis and in the ordinary course of business. Details of Related Parties and Related Party Transactions as required are furnished under Note No.50 of the notes to the accounts attached with the standalone financial statements of the Company for the year ended 31st March, 2020. The Company has not entered into any materially significant related party transaction that may have potential conflict with the interests of the Company at large. The Board of Directors have approved and adopted a “Policy on Materiality of Related Party Transactions (RPT) and dealing with RPT” and the same has been uploaded on the website of the Company and can be accessed at www.orchidpharma.com

Details of Non-Compliance by the company

The Company could not finalise the Audited financial statements for the Quarter/Year ended March 31, 2019 within due dates. The Company has received notice from stock exchanges towards fine for delay in compliance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Audited financial results for the year ended March 31,2019. Accordingly, a fine of Rs. 23,600/- by National Stock Exchange of India Ltd and Rs. 23,600/- by BSE Ltd was imposed on the Company for delay in submission of financial results for the above specified period.

There was a delay in submission of the Annual Secretarial Compliance report under Regulation 24 A of the SEBI (LODR) Regulations, 2015 by a period of three days. Further, there was a delay in submission of unaudited financial statements for the quarter ended December 31, 2019, by a period of three days. There was delay in compliance with Regulation 6(1) of the SEBI (LODR) Regulations, 2015, as the Company was unable to fill the vacancy of Company Secretary within the stipulated timelines.

Vigil Mechanism and Whistle blower policy

With a view to establish a mechanism for protecting employees reporting unethical behaviour, frauds, or violation of the Company's Code of Conduct, the Board has adopted a Whistle Blower Policy. No person has been denied access to the Audit Committee.

The Company's Policies on dealing with Related Party Transactions and determining 'Material' Subsidiaries are available on the Company's website viz: http://www.orchidpharma.com/ir_downloads.aspx

Commodity price risk, Foreign Exchange Risk and Hedging Activities:

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

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

In accordance with the approved Resolution Plan, funds were raised through Preferential allotment of Equity shares and the same were utilised for the purposes enunciated in the approved Resolution Plan, the details of which may be referred to in the Management Discussion and Analysis report.

Details of Compliance with Mandatory Requirements of Corporate Governance for the financial year 2019-20:

The provisions as specified in Regulations 18, 19, 20 and 21 were not applicable during the CIRP period in respect of a listed entity which is undergoing CIRP under the Insolvency Code provided that the roles and responsibilities of the committees specified in the respective regulations shall be fulfilled by the Interim Resolution Professional or Resolution Professional /monitoring agent as authorised by monitoring committee.

Pursuant to the Order of the Hon'ble NCLT dated June 27, 2019 and subsequently upheld by Supreme Court of India vide its order dated February 28, 2020, the directors were appointed by the Monitoring Committee on March 31, 2020. However, the induction of Independent Directors including Woman Director was pending on March 31, 2020 and the composition of Board and the Committees was not in accordance with the Listing Regulations, 2015. Further, the Board of Directors at their meeting held on June 29, 2020 appointed four Independent Directors and Woman Director on the Board and the reconstitution of the Board and the Committees of the Board in accordance with SEBI (Listing Obligations and Disclosure Requirements) was adhered to.

The details of delay in Compliance with Regulation 6, 24A and 33 of the SEBI (LODR) Regulations,2015 are disclosed in detail in the Corporate Governance Report.

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

Not Applicable.

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

The amount of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis to, the Statutory Auditor in the financial year 2019-2020 is disclosed in Note No. 35 (a) of Standalone financial statements & Note No. 34 of Consolidated financial statements for the financial year 2019-2020.

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

*During the reporting period, there was no Independent Directors on the Board since powers of Board stood suspended with commencement of Corporate Insolvency Resolution Process and therefore the requirement for familiarisation programme does not arise. Further to the implementation of the Approved Resolution Plan, the existing Board of Directors have deemed to have resigned and the Board has been reconstituted with four Additional Directors with effect from March 31,2020. Further, four Independent Directors were inducted on the Board with effect from June 29,2020

Pursuant to the order of the Hon'ble NCLT dated June 27, 2019 and subsequently upheld by Hon'ble Supreme Court of India vide its order dated February 28, 2020, four directors were appointed by the Monitoring Committee on March 31, 2020. The Board of Directors has reconstituted the Audit, Stakeholder Relationship and Nomination and Remuneration Committees on March 31, 2020. Further, the Independent Directors were inducted on the Board with effect from June 29,2020 and the Committees were reconstituted in accordance with Listing Regulations with effect from June 29,2020

Compliance with Non-Mandatory Requirements:

The Board

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

However, pursuant to the Corporate Insolvency resolution Process, the powers of the Board of Directors stood suspended and the powers were vested with the Resolution Professional.

Shareholder Rights

The quarterly results of the company are published in one English and one Tamil newspaper having wide circulation in Tamil Nadu, normally Trinity Mirror and Makkal Kural. Further, the quarterly results are also posted on the website of the Company (www.orchidpharma.com) and on the websites of the Stock Exchanges with which the Company is listed.

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

Modified Opinion(s) in Audit Report

The modified opinion may be referred to in Independent Auditors' Report on the Standalone Financial Statements and Consolidated Financial Statements for the financial Year 2019-20.

Separate Posts of Chairman and Managing Director /CEO up to CIRP date

The Company had separate posts for Chairman and Managing Director/CEO up to the initiation of CIRP. Pursuant to resignation of the Chairman during the FY 2017-18, the Post of Chairman remained vacant. On June 29, 2020, the Board has filled in the positions of Chairman and Managing Director separately.

Reporting of Internal Auditor

Pursuant to the initiation of the CIRP, the powers of the Board of Directors stood suspended. All responsibilities of the Board of Directors and the Committees thereof were entrusted with the Resolution Professional. Pursuant to the implementation of the approved Resolution plan, the Audit Committee was constituted on March 31, 2020.

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

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

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

The Company has generally complied with the Corporate Governance requirements as specified in regulation 17 to 27 except for delay of three days in submission of the Annual Secretarial Compliance report as per the provisions of Regulation 24A and Regulation 25, as there were no Independent Directors on the Board of the Company as on March 31, 2020. However, the reconstituted Board of your Company have appointed Independent Directors on the Board of the Company in accordance with SEBI (LODR) Regulations, 2015 with effect from June 29, 2020. The Company has complied with the Corporate Governance requirements as specified in clauses (b) to (i) of sub-regulation (2) of regulation 46 of Listing Regulations, 2015 except for disclosure of details of familiarization programmes imparted to independent directors on the website of the Company, as there were no Independent Directors on the Board of the Company during financial year 2019-2020 and accordingly no familiarisation programmes could be conducted.

Certificate from a Company Secretary

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

Certificate on Corporate Governance

As required by Regulation 34(3) Schedule V (E) of the SEBI Listing Regulations, the certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance is annexed to this report.

CEO/CFO Certification

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

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

Place: New Delhi
Date : November 11, 2020

Manish Dhanuka
Managing Director
DIN:00238798

Mridul Dhanuka
Whole Time Director
DIN:00199441

15. CEO/CFO Certification

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

We the undersigned, certify that:

(a) We have reviewed the financial statements and the cash flow statement of Orchid Pharma Limited for the year ended March 31, 2020# and to the best of our knowledge and belief:

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

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

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

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

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

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

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

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

Place: New Delhi	**Manish Dhanuka**	**Sunil Kumar Gupta**
Date : June 29, 2020	Managing Director	Chief Financial Officer

#The Management of the affairs of the Company was vested with the Resolution Professional Shri S V Ramkumar till the approval of the Resolution Plan for the Company by the Honourable Supreme Court of India vide its Order dated February 28, 2020. Further, the Monitoring Committee was entrusted with the Management of the affairs of the Company till a new Board was constituted on March 31, 2020.

Code of Conduct Certification

In accordance with Regulation 26(3) of Listing Regulation, I hereby confirm that, all the Senior Management personnel^ of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for year ended March 31, 2020.

Place: New Delhi	**Manish Dhanuka**
Date : June 29, 2020	Managing Director

^ Since the new Directors were appointed pursuant to the implementation of approved Resolution plan after the Stock Market Trading hours on March 31, 2020, the declaration from new directors were not obtained.

CERTIFICATE ON CORPORATE GOVERNANCE

TO
THE MEMBERS OF
ORCHID PHARMA LIMITED
CIN: L24222TN1992PLC022994

We have examined the compliance of conditions of Corporate Governance by M/s. Orchid Pharma Limited ("the Company") for the year ended 31st March, 2020 as per relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred in its Regulation 15(2) for the period 1st April, 2019 to 31st March, 2020.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as per relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period 1st April, 2019 to 31st March, 2020 to the extent applicable to the Company as the Company was under the Corporate Insolvency Resolution Process w.e.f 17.08.2017 vide order of the NCLT, Chennai Bench except for delay of three days in submission of the Annual Secretarial Compliance report as per the provisions of Regulation 24A and Regulation 25. Subsequent to the commencement of the Corporate Insolvency Resolution Process, the powers of the board of directors stood suspended and the management of affairs of the company vested with the Resolution Professional Mr. Sripatham Venkatasubramanian Ramkumar pursuant to his appointment in the COC Meeting held on 03.10.2017 which was confirmed by the Honourable National Company Law Tribunal, Chennai Bench vide order dated 27.10.2017. During the period under review, the Resolution Plan submitted by M/s. Dhanuka Laboratories Limited (DLL) was approved by the Hon'ble National Company Law Tribunal, Division Bench-II, Chennai (NCLT) vide its order dated June 27, 2019 which was later on upheld by the Hon'ble Supreme Court of India vide its Order dated February 28, 2020 (received on March 2, 2020) and as per Resolution plan, M/s. Dhanuka Laboratories Limited has brought in money within 30 days of approval by Honourable Supreme Court of India. The Board of Directors has been reconstituted with nominees of Dhanuka Laboratories Limited and powers of the Board have been reinstated in the Company with effect from 31.03.2020.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai
Date: October 22 , 2020

For S Dhanapal & Associates
A Firm of Practising Company Secretaries

N. Ramanathan
Partner
Membership No. FCS 6665
CP No. 11084
UDIN: F006665B001028950

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)

In pursuance to sub clause (i) of Clause 10 of Part C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of M/s. Orchid Pharma Limited (CIN: L24222TN1992PLC022994) (hereinafter referred to as "the Company") we hereby certify that:

On the basis of the written representation / declaration received from Directors of the Company and taken on record by the Board of Directors of the Company as on March 31, 2020 none of the Directors on the Board of the above said Company as on March 31, 2020 has been debarred or disqualified from being appointed or continuing as Director of Companies by SEBI / Ministry of Corporate Affairs or any such Statutory Authority

For S Dhanapal & Associates
A Firm of Practising Company Secretaries

N. Ramanathan
Partner
Membership No. FCS 6665
CP No. 11084
UDIN: F006665B001028917

Place: Chennai
Date: October 22 , 2020

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

Pursuant to the ongoing CIRP, there was no Director on the Board of Company during the reporting period till (March 30, 2020) except for Shri K Raghavendra Rao (erstwhile Managing Director till December 2019). Further to the implementation of the approved Resolution Plan, the Board was reconstituted with effect from March 31, 2020.

Except for Shri K Raghavendra Rao, erstwhile Managing Director, none of the other directors were in receipt of remuneration. Pursuant to the implementation of the approved Resolution plan , only One meeting of the newly constituted Board was held on March 31, 2020, to take charge of the affairs of the Company for which no sitting fees was paid.

The Ratio of remuneration of erstwhile Managing Director, Shri K Raghavendra Rao to the median remuneration of the employees of the company for the financial year 2019-20 is 3.13 times.

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

The details pertaining to the increase in the remuneration of the Directors (Except the erstwhile Managing Director, Shri K Raghavendra Rao) cannot be calculated for the reasons as stated in the point no. (a) above.

Name of the KMP/ Designation	% Increase in remuneration in 2020 as compared to 2019
Shri. Manish Dhanuka, Managing Director	Not applicable*
Shri Mridul Dhanuka, Whole Time Director	Not applicable*
Shri. K Raghavendra Rao, erstwhile Managing Director (till December 2019)	Nil
Shri. L Chandrasekar, CFO & Company Secretary (Retired with effect from June 30,2019)	Nil
Ms. Nikita K, Company Secretary	Not applicable*

(*Shri Manish Dhanuka was appointed as the Managing Director with effect from June 29, 2020. Shri Mridul Dhanuka was appointed as the Whole Time Director with effect from June 29, 2020 and Ms. Nikita K was appointed as the Company Secretary with effect from March 05, 2020)

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

The increase in the median remuneration of employees during the FY 2019-20 was 4.86 times.

d) Number of permanent employees on the rolls of Company (as of 31st March, 2020): 1278

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

Average percentile increase made in the salaries of employees (for manufacturing facility at Alathur and Corporate office employees) during the reporting year was 9.37%

The percentage increase in the remuneration of Key Managerial Personnel during the FY 2019-2020 was:

Shri K Raghavendra Rao- erstwhile Managing Director- NIL

Shri L Chandrasekar – Chief Financial Officer and Company Secretary (Retired with effect from June 30, 2019) – NIL

Ms. Nikita K, Company Secretary – Not Applicable (appointed on March 05, 2020)

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

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

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

Place: New Delhi	**Manish Dhanuka**	**Mridul Dhanuka**
Date : November 11, 2020	Managing Director	Whole Time Director
	DIN:00238798	DIN:00199441

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) AND 5 (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE YEAR ENDED MARCH 31, 2020

NAME OF THE TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN

S. No.	Name	Designation	Age (Yrs)	Gross Remuneration (Rs in Lakhs)	Qualification	Experience in years	Nature of employment (contractual or otherwise)	Date of commence-ment of employment	Previous Employer & Position held	No. of Equity shares held	Relative of Director or Manager
1	Dr. Senthil Kumar U P	Senior Vice President - Process Research	55	66.75	M Sc (1987); Ph D (1993)	25	Permanent	06-08-97	Torrent Pharmaceuticals Limited, Manager	5,527	–
2	Shri Mani S	President-API, CSR & SH&E	61	66.75	B.E	38	Permanent	01-07-92	Bharat Heavy Electricals Limited, Deputy Manager - Projects Management	1,200	–
3	Dr. Sarangdhar R J	Sr. General Manager - Manufacturing	57	64.36	B Sc (1985), M Sc (1987)	33	Permanent	19-07-94	Lupin Laboratories Ltd – Executive	–	–
4	Shri Kamalakar Talasila	Director - Formulations Development	48	56.78	B Pharmacy (1995) M Pharmacy (1998)	22	Permanent	28-12-15	Bluefish Pharma Pvt Ltd - Head Research & Development	–	–

S. No.	Name	Designation	Age (Yrs)	Gross Remuneration (Rs in Lakhs)	Qualification	Experience in years	Nature of employment (contractual or otherwise)	Date of commence-ment of employment	Previous Employer & Position held	No. of Equity shares held	Relative of Director or Manager
5	Shri Mathanagopalan S	General Manager - Finance & Accounts	55	38.73	B.Com (1995), CA (1989)	25	Permanent	01-04-17	Orchid Pharma Ltd - General Manger - Fin & Accounts	34	–
6	Shri Ravisankar S	Deputy General Manager - Accounts	45	34.99	B.Com (1995), CA	21	Permanent	06-03-17	Hyundai Motor India Ltd - Manager - Corporate Accounts	–	–
7	Shri Sunil Deva Josh D	General Manager	56	32.66	BE (1985), MBA (2000)	25	Permanent	19-08-96	UB Petro Products – Engineer	–	–
8	Shri Antony Martin	General Manger - Production Non Sterile	53	30.10	M Sc Chem (1989)	28	Permanent	10-11-95	Grasim Industries – Engineer	–	–
9	Shri Thomas Mathew	Deputy General Manager - Production	56	26.64	B Sc - Chem (1984)	33	Permanent	18-12-95	Cepham Laboratories Ltd - Production Chemist	–	–
10	Shri Pragati Kumar Patro	Deputy General Manager - IT	46	26.62	B Sc (1995) Aptech IT (1997)	19	Permanent	15-02-07	I Soft R & D Pvt Ltd - Sr Lead Entrerprise Tech Service	–	–

2	Name of the employee(s) who were employed throughout the financial year and were in receipt of remuneration for that year which was in the aggregate not less than one crore and two lakh rupees	Not Applicable
3	Name of the employee(s) who were employed for a part of the financial year and were in receipt of remuneration for any part of that year which was in the aggregate not less than eight lakh and fifty thousand rupees per month	Not Applicable
4	Name of the employee(s) who were employed throughout the financial year or part thereof and were in receipt of remuneration in that year which in the aggregate or as the case may be at a rate which in the aggregate is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company	Not Applicable

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

Place: New Delhi
Date : November 11, 2020

Manish Dhanuka
Managing Director
DIN:00238798

Mridul Dhanuka
Whole Time Director
DIN:00199441

ANNEXURE VI TO THE BOARD'S REPORT

FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2020

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

To,
The Members,
Orchid Pharma Limited
Chennai

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Orchid Pharma Limited** (hereinafter called the company). Secretarial Audit was conducted based on records made available to us in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion/ understanding thereon.

2. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we, on strength of those records, and information so provided, hereby report that in our opinion and understandings, the Company has, during the audit period covering the financial year ended on March 31, 2020, appears to have complied with the statutory provisions listed hereunder and also in our limited review, that the Company has proper and required Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

   We have examined the books, papers, minutes' book, forms and returns filed and other records maintained by the Company and made available to us, for the financial year ended on March 31, 2020 according to the applicable provisions of:

   i) The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act, 1956 and the rules made thereunder as applicable;

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

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

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

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

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

      b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

      c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as substituted by the Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2018;

      d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not applicable as the Company has not issued any shares/options to directors/employees under the said guidelines / regulations during the year under review

      e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not applicable during the financial year;

      f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the year under review

      g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable as the Company has not delisted / propose to delist its equity shares from any Stock Exchange during the year under review and

      h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review and

   We have examined in a very limited manner, the systems and processes in place to ensure compliance with specific laws like Drugs and Cosmetics Act, 1940, Trademarks Act 1919, Petroleum Act 1934, Narcotic Drugs and Psychotropic Substances Act, 1985 considering and relying upon representations made by the Company and its Officers for systems and mechanism formed by the Company for compliances under these laws.

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

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

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

The Company is under the Corporate Insolvency Resolution Process w.e.f 17.08.2017 vide order of the NCLT, Chennai Bench. Subsequent to the commencement of the Corporate Insolvency Resolution Process, the powers of the Board of Directors stood suspended and the management of affairs of the company vested with the Resolution Professional Mr. Sripatham Venkatasubramanian Ramkumar pursuant to his appointment in the COC Meeting held on 03.10.2017 which was confirmed by Honourable National Company Law Tribunal, Chennai Bench vide order dated 27.10.2017. During the period under review, the Resolution Plan submitted by M/s Dhanuka Laboratories Limited (DLL) was approved by the Hon'ble National Company Law Tribunal, Division Bench- II, Chennai (NCLT) vide its order dated June 27, 2019 which was later on upheld by the Hon'ble Supreme Court of India vide its Order dated February 28, 2020 (received on March 2, 2020) and as per Resolution plan, M/s Dhanuka Laboratories Limited has brought in money within 30 days of approval by Honourable Supreme Court of India. The Board of Directors has been reconstituted with nominees of Dhanuka Laboratories Limited and powers of the Board have been reinstated in the company with effect from 31.3.2020.

During the period under review, the Company has generally complied with the applicable provisions of the Act, SEBI Act, FEMA, and their Rules, Regulations, Guidelines, Standards, mentioned above except to the extent mentioned below:

1. There has been delay, in filing/ non filing of returns with Registrar of Companies with respect to few events happened during the year 2019-20.
2. Delay in filing of Audited financial results for the year ended March 31, 2019 and quarterly unaudited financial results for the quarter ended December 31, 2019 with Stock Exchanges under SEBI (LODR)2015
3. Compliances related to Independent Directors have not been complied with, as there are no Independent Directors on the Board and there was no director on the Board till March 30, 2020, as all the directors had resigned / ceased to be a director and the Nominees of the Banks were withdrawn.
4. Delay in filing of the Annual Secretarial Compliance Report for the Financial Year ended 31.03.2019.
5. Vacancy of Company Secretary is not filled within 6 months as required under Section 203 of the Companies Act, 2013
6. The return on Foreign Liabilities and Assets for the Financial year 2018-19 is filed with delay;

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

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

The powers of Board of Directors of the Company stood suspended pursuant to the commencement of Corporate Insolvency Resolution Process with effect from 17.8.2017. During the FY 2019-20, the company was under the management of Mr. Sripatham Venkatasubramanian Ramkumar, Resolution Professional.

During the Financial Year 2019-20, meetings were convened by the Resolution Professional in lieu of quarterly meetings of Board of Directors, for which notices are given.

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

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

We further report that, during the year, the scrips of the Company were suspended from trading.

We further report that, a fine of Rs. 23,600/- by National Stock Exchange of India Ltd and Rs. 23,600/- by BSE Ltd. was imposed on the Company for delay in submission of financial results for the financial year ended March 31, 2019 and the company has paid fine of Rs.23,600/- each in respect of the above delays.

We further report that, during the period, the Company has sought approval from its members for ratification of remuneration to Shri J Karthikeyan, Cost Accountant, the cost Auditor of the company.

We further report that during the audit period the company was under CIRP Process under provisions of Insolvency and Bankruptcy code, 2016 as stated above, having a major bearing on the Company's affairs. During the Financial year 2019-20, the Resolution Plan submitted by M/s. Dhanuka Laboratories Limited was approved by the Committee of Creditors (CoC) in the evoting taken place from 9.00 AM on June 7, 2019 to 4.00 PM on June 11, 2019 and the said resolution plan was submitted to the Honourable

NCLT, Chennai Bench for its approval. The resolution plan was approved by the Honourable NCLT, Chennai Bench vide its order dated June 27, 2019 which was later on upheld by Honourable Supreme Court of India vide order dated February 28, 2020.

We further report that,

1. A Monitoring Committee (MC) was constituted in accordance with the Hon'ble NCLT, Chennai order dated June 27, 2019 to oversee the effective implementation of the Resolution Plan.
2. We further report that, Resolution Applicant (Dhanuka Laboratories Limited) has brought in the amount as per Resolution plan within 30 days of Honourable Supreme court Order and the Monitoring Committee in its meeting held on March 31, 2020 approved the reconstitution of Board of Directors of "ORCHID PHARMA LIMITED" with effect from March 31, 2020 with the following directors, nominated by Dhanuka Laboratories Limited, the resolution applicant, on the Board:
   a. Mr. Ram Gopal Agarwal;
   b. Mr. Manish Dhanuka;
   c. Mr. Arun Kumar Dhanuka; and
   d. Mr. Mridul Dhanuka
3. We further report that, Management of the company is by New Board of Directors of the company with effect from 31.03.2020.
4. We further report that as mentioned above, M/s. Dhanuka Laboratories Limited has infused funds as per the terms of the resolution plan through a special purpose vehicle, M/s. Dhanuka Pharmaceuticals Private Limited. The special purpose vehicle was later on merged with M/s. Orchid Pharma Limited as per the terms of the approved resolution plan. Thus, Orchid Pharma Limited became a subsidiary of M/s. Dhanuka Laboratories Limited.
5. We further report that the following Corporate Actions were approved by the Monitoring Committee in its meeting held on March 30, 2020 and March 31, 2020 as per the approved resolution plan:
   a. Issuance of 0% Non-convertible Non-marketable Cumulative Redeemable Debentures for a value of Rs. 3650 Crores to M/s. Dhanuka Pharmaceuticals Private Limited [100% subsidiary of M/s. Dhanuka Laboratories Limited (the Resolution Applicant) and a Special purpose Vehicle] for subsuming the outstanding debt equivalent thereto of Orchid Pharma Limited.
   b. Reduction of existing issued, subscribed and paid up share capital of Orchid Pharma Limited as provided below, against its accumulated losses and immediate consolidation of face value of the equity shares of Orchid Pharma Limited:

Pre Reduction Capital	Reduced Capital	Post Reduction Capital
Rs. 88,96,43,270/- divided into 8,89,64,327 equity shares of Rs. 10/- each	Rs. 88,55,61,630 divided into 8,85,56,163 equity shares of Rs. 10/- each	Rs. 40,81,640/- divided into 4,08,164 equity shares of Rs. 10/- each

   c. Issue of 4,08,164 equity shares of Rs. 10/- each, to Secured financial creditors towards conversion of loan into equity (Part conversion);
   d. Issue of 4,00,00,072 equity shares of Rs. 10/- each to M/s. Dhanuka Laboratories Limited, as below:
      i. 10,000 Equity shares pursuant to Scheme of Amalgamation;
      ii. 3,99,90,072 equity shares on a preferential basis;
   e. Issue of 14,300 Optionally Convertible Debentures (OCDs) [Quasi Equity] of value of Rs. 1,00,000 each aggregating to Rs. 143 cores (Rupees One Hundred and Forty Three Croresonly) to M/s. Dhanuka Laboratories Limited (the ResolutionApplicant).

We are informed by M/s. Orchid Pharma Limited that, they are in the process of making applications to the Stock Exchanges for corporate actions mentioned above.

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

For S Dhanapal & Associates

N. Ramanathan
(Partner)
FCS 6665
CP No. 11084
UDIN: F06665B000397440

Place: Chennai
Date: 29.06.2020

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

Annexure A

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

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

Management's Responsibility

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

Auditor's Responsibility

b. Our responsibility was to express an opinion on the secretarial records, standards and procedures followed by the company with respect to secretarial compliances.

c. We believe that audit evidence and information obtained from company's management is adequate and appropriate for us to provide a basis for our opinion.

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

Disclaimer

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

For S Dhanapal & Associates

N. Ramanathan
(Partner)
FCS 6665
CP No. 11084
UDIN: F06665B000397440

Place: Chennai
Date: 29.06.2020

SECRETARIAL COMPLIANCE REPORT OF ORCHID PHARMA LIMITED FOR THE YEAR ENDED 31.03.2020

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

(a) all the documents and records made available to us and explanation provided by ORCHID PHARMA LIMITED ("the listed entity"),

(b) the filings/ submissions made by the listed entity to the stock exchanges,

(c) website of the listed entity,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31.03.2020 ("Review Period") in respect of compliance with the provisions of :

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

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

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

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as substituted by the Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2018;

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

(d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 as substituted by the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 – *Not Applicable;*

(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - *Not Applicable;*

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - *Not Applicable;*

(g) Securities and Exchange Board of India(Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013 -*Not Applicable;*

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

and circulars/ guidelines issued thereunder;

and based on the above examination, I/We hereby report that, **M/s Orchid Pharma Limited ("the Company") was under the Corporate Insolvency Resolution Process (CIRP) with effect from 17.08.2017, the powers of the Board stood suspended and the management of the Company vested with the Resolution Professional Mr. Sripatham Venkatasubramanian Ramkumar pursuant to his appointment in the COC Meeting held on 03.10.2017 which was confirmed by Hon'ble National Company Law Tribunal, Chennai Bench vide order dated 27.10.2017. During the period under review, the Resolution Plan submitted by M/s Dhanuka Laboratories Limited (DLL) was approved by the Hon'ble National Company Law Tribunal, Division Bench- II, Chennai (NCLT) vide its order dated June 27, 2019 which was later on upheld by the Hon'ble Supreme Court of India vide its Order dated February 28, 2020 (received on March 2, 2020) and as per Resolution plan, M/s Dhanuka Laboratories Limited has brought in money within 30 days of approval by Hon'ble Supreme Court of India. The Board of Directors has been reconstituted with nominees of Dhanuka Laboratories Limited and powers of the Board have been reinstated in the company with effect from 31.3.2020.** In this regard, we report that during the Review Period:

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

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	Regulation 24A of LODR – Submission of Annual Secretarial Compliance Report for the Financial Year ended 31.03.2019	Delay in submission of the Annual Secretarial Compliance Report beyond the stipulated time.	The Annual Secretarial Compliance Report is submitted to the Stock Exchanges on June 3, 2019 whereas the due date for its submission was May 31, 2019
2	Regulation 25 of LODR – Obligations with respect to Independent Directors	The company does not have any independent director on its board. Since the powers and management vested with the Resolution Professional, the appointment and reconstitution of the Board can be done only when the powers are back to the board after completion of CIRP	Pursuant to the approved Resolution Plan, at the Monitoring Committee Meeting held on March 31, 2020 the Board was formed with 4 (Four) Non Executive Directors as Additional Directors.
3	Regulation 33(3) of LODR – Submission of Financial Results for every quarter within 45 days from the end of the Quarter	The company could not file the unaudited financial results for the quarter ended 31.12.2019 within 45 days.	There is a delay in submission of the results and financial results for the quarter ended 31.12.2019 was submitted on 17.02.2020
4	Regulation 33(3) of LODR – Submission of Financial Results for the financial year ended 31.03.2019 within 60 days from the end of the financial year	The company could not file the audited financial results within 60 days as prescribed for the financial year ended 31.03.2019	There is a delay in submission of the results and financial results for the quarter ended 31.03.2019 was submitted on 03.06.2019.Late fees for the same have been paid to the Stock Exchanges.
5	Regulation 6(1) of LODR –Appointment of Company Secretary as Compliance Officer	The Company Secretary retired from the services of the Company with effect from 30.06.2019. Wherein another Company Secretary was appointed only on 05.03.2020	Vacancy of the Company Secretary is not filled within a reasonable period of time and almost for more than half of the financial year the Company did not have a Company Secretary.

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

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

Sr.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1	NSE	Regulation 33(3) of LODR: The Financial Results for the Financial year ended 31.03.2019 was submitted on 03.06.2019 which is beyond the prescribed 60 days;	Fine of Rs. 23,600/- imposed	The Fine of Rs. 23,600/- was paid through UTR vide Reference Number SBIN319177598241 dated 26/06/2019

Sr.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
2	BSE	Regulation 33(3) of LODR: The Financial Results for the Financial year ended 31.03.2019 was submitted on 03.06.2019 which is beyond the prescribed 60 days;	Fine of Rs. 23,600/- imposed	The Fine of Rs. 23,600/- was paid through UTR vide Reference Number SBIN319177590228 dated 26/06/2019

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

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31.03.2019	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	Not Applicable	Reg. 25 of SEBI (LODR) (Obligations with respect to Independent Directors) -All the Directors on the Board resigned and the nomination made by Bank was withdrawn. There is only one director on the Board.	The Resolution plan is approved as mentioned above and the Monitoring Committee has reconstituted Board with effect from March 31, 2020	The Monitoring Committee has reconstituted the Board with four (4) Non executive directors as Additional Directors. The Company is yet to appoint Independent Directors on its Board.
2	Not Applicable	Reg. 33(3) of LODR - Delay in submission of Financial Results for the Quarter ended 30.06.2018 and 30.09.2018 beyond the stipulated time of 45 days from the end of the Quarter	The fine imposed by NSE Ltd and BSE Ltd for the said delay is paid by the Company	The fine imposed by NSE Ltd and BSE Ltd for the said delay is paid by the Company
3	Not Applicable	Reg. 33(3) of LODR - Delay in submission of Financial Results for the financial year ended 31.03.2018 beyond the stipulated time of 60 days from the end of the financial year	The fine imposed by NSE Ltd and BSE Ltd for the said delay is paid by the Company	The fine imposed by NSE Ltd and BSE Ltd for the said delay is paid by the Company

We further report that,

1. A Monitoring Committee (MC) was constituted in accordance with the Hon'ble NLCT, Chennai order dated June 27, 2019 to oversee the effective implementation of the Resolution Plan;
2. The Resolution Applicant (Dhanuka Laboratories Limited) has brought in the amount as per the Resolution Plan within 30 days of the Hon'ble Supreme Court Order and the Monitoring Committee in its meeting held on March, 31, 2020 approved the reconstitution of Board of Directors of "Orchid Pharma Limited" with effect from March 31, 2020 with the following directors on the Board (nominated by Dhanuka Laboratories Limited, the resolution applicant):
   a. Mr. Ram Gopal Agarwal;
   b. Mr. Manish Dhanuka;
   c. Mr. Arun Kumar Dhanuka; and
   d. Mr. Mridul Dhanuka
3. The Management of the Company is by New Board of Directors of the Company with effect from 31.03.2020;

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

Signature:
Name of the Practicing Company Secretary: **N.Ramanathan**
Partner, S Dhanapal & Associates
A firm of Practising Company Secretaries
ACS/ FCS No.: F6665
C P No.:11084
UDIN:F006665B000529308

Place: Chennai
Date: 30.07.2020

ANNEXURE-VII

FORM AOC-I

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

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

Part "A": Subsidiaries

S. No	Name of the subsidiary	Orchid Europe Limited, United Kingdom		Orchid Pharmaceuticals Inc., and Subsidiaries, USA		Bexel Pharmaceuticals Inc., USA		Orchid Pharmaceuticals SA (Propreitary) Limited South Africa		Diakron Pharmaceuticals Inc, USA	
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Apr '19 - March '20		Apr '19 - March '20		Apr '19 - March '20		Mar '19 - Feb '20		Apr '19 - March '20	
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	GBP 94.84		USD 76.36		USD 76.36		ZAR 4.19		USD 76.36	
		£	₹.	$	₹	$	₹	RAND	₹	$	₹.
3	Share capital	10,000.00	9,48,400.00	100.00	7,636.00	35,895.27	27,40,962.82	3,03,638.00	12,72,243.22	–	–
4	Reserves & surplus	21,864.21	20,73,601.68	(41,46,619.00)	(31,66,35,826.84)	(2,13,050.52)	(1,62,68,537.71)	(3,03,638.00)	(12,72,243.22)	(35,48,991.00)	(27,10,00,952.76)
5	Total assets	6,05,851.70	5,74,58,975.23	16,40,650.00	12,52,80,034.00	5.00	381.80	–	–	3,198.00	2,44,199.28
6	Total Liabilities	6,05,851.70	5,74,58,975.23	16,40,650.00	12,52,80,034.00	5.00	381.80	–	–	3,198.00	2,44,199.28
7	Investments	–	–	–	–	–	–	–	–	–	–
8	Turnover	60,986.85	57,83,992.85	9,70,215.00	7,40,85,617.40	–	–	–	–	–	–
9	Profit before taxation	3,788.50	3,59,301.34	(8,92,980.00)	(6,81,87,952.80)	(1,498.55)	(1,14,429.28)	–	–	(2,93,438.00)	(2,24,06,925.68)
10	Provision for taxation	–	–	–	–	–	–	–	–	–	–
11	Profit after taxation	3,788.50	3,59,301.34	(8,92,980.00)	(6,81,87,952.80)	(1,498.55)	(1,14,429.28)	–	–	(2,93,438.00)	(2,24,06,925.68)
12	Proposed Dividend	–	–	–	–	–	–	–	–	–	–
13	% of shareholding	100%		100%		100%		100%		76.65%	

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

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

Note: Indian equivalent figures have been arrived at by applying the year end rate 1 £=94.84, 1 South African Rand= 4.19 and 1US $= Rs.76.36 and do not form of the reports of Orchid Europe Limited,Orchid Pharmaceuticals Inc., Bexel Pharmaceuticals Inc., Orchid Pharmaceuticals SA(Proprietary) Limited and Diakron Pharmaceuticals Inc.

Part "B": Associates and Joint Ventures

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

Name of Associates/Joint Ventures	
1. Latest audited Balance Sheet Date	
2. Shares of Associate/Joint Ventures held by the company on the year end	
No. of shares	
Amount of Investment in Associates/Joint Venture (Rs. In Lakhs)	
Extend of Holding %	Not Applicable- The Company did not have any investments in Associates or Joint Ventures as at March 31,2020
3. Description of how there is significant influence	
4. Reason why the associate/joint venture is not consolidated	
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	
6. Profit / Loss for the year	
i. Considered in Consolidation	
i. Not Considered in Consolidation	

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

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

Manish Dhanuka
Managing Director
DIN:00238798

Place: New Delhi
Date : November 11, 2020

Mridul Dhanuka
Whole Time Director
DIN:00199441

Place: New Delhi
Date : November 11, 2020

Sunil Gupta
Chief Financial Officer

Place: New Delhi
Date : November 11, 2020

Nikita K
Company Secretary

Place: Chennai
Date : November 11, 2020

ANNEXURE VIII TO THE BOARD'S REPORT
FORM NO. AOC-2
(PURSUANT TO CLAUSE (H) OF SUB-SECTION (3) OF SECTION 134 OF THE ACT AND RULE 8(2) OF THE COMPANIES (ACCOUNTS) RULES, 2014)

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

1. **Details of contracts or arrangements or transactions not at arm's length basis.**

   NIL

2. **Details of material contracts or arrangement or transactions at arm's length basis**

   a) **Name(s) of the related party and nature of relationship.**

      1. Orchid Pharma Inc., USA - Wholly owned Subsidiary
      2. Orchid Europe Ltd., UK - Wholly owned Subsidiary

   b) **Nature of contracts/arrangements/transactions**

      Details of transactions with the above related parties are provided in Note No. 50 of the financial statements for the financial year 2019-20.

   c) **Duration / Salient terms / Date(s) of approval by the Board of / for the Contracts / Arrangements / Transactions**

      The values of transactions with the above related parties are less than 10% of the total income for the financial year 2019-20.

      Hence, the details required as above to be furnished in respect of material related party transaction are not applicable and hence not furnished.

   d) **Amounts paid as advances, if any**

      Details of transaction with the above-related parties are provided in Note No. 50 of the financial statements for the financial year 2019-20.

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

Manish Dhanuka
Managing Director
DIN:00238798

Place: New Delhi
Date : November 11, 2020

Mridul Dhanuka
Whole Time Director
DIN:00199441

Place: New Delhi
Date : November 11, 2020

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, 2020 – STANDALONE BASIS [PURSUANT TO REGULATION 33 & 52 OF THE SEBI (LODR) (AMENDMENT) REGULATIONS, 2016]

STANDALONE BASIS

	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)
I				
	1	Turnover / Total Income (including other income)	52993.61	52993.61
	2	Total Expenditure (Including finance cost and exceptional items)	68179.42	68179.42
	3	Net Profit / (Loss)	(15185.81)	(15185.81)
	4	Earnings per Share (In Rs.)	(16.84)	(16.84)
	5	Total Assets	171174.20	171174.20
	6	Total Liabilities	65554.41	65554.41
	7	Net worth	105619.79	105619.79
	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 management has based on the internal evaluation and the best estimate made by it, has not recognised any impairment in the carrying value of Property, Plant and Equipment (PPE) and internally generated intangible assets comprising of DBF/ ANDA and recognised a partial impairment loss against PPE under development, intangibles under development and non-moving and slow moving inventories, which were subject matters of audit qualification for the earlier quarters and years. We were informed that the above estimate could not be supported by a detailed working, technical analysis, basis for the business projections, independent evaluation of the management estimate using external experts and other supporting information due to the limitations in getting all the related data and external evidences supporting the assumptions used in the estimate due to the present limitation/ access to data and consultants due to the nationwide lockdown pursuant to the Covid'19 Pandemic. The above coupled with the other adjustments made to give effect for the resolution plan as morefully explained in the Emphasis of Matters section of this report has resulted in recognition of capital reserve Rs. 1,84,169.63 Lakhs. The management confirms that the impairment assessment is made internally with the presently available data and will review/ reassess the present estimate on lifting of the lockdown and on resumption of business at normal levels and further adjustments, if any required, will be made on completion of a comprehensive impairment testing.In the absence of completion of such comprehensive impairment testing, we are unable to comment on the impact, if any, on the financial results, the carrying amounts of the aforesaid account balances and on the appropriateness of recognising capital reserve as aforesaid as per applicable financial reporting framework. The possible impact, if any, arising out of the above matters on the Statement is not presently determinable.	

	(b)	**Type of Audit Qualification :**	Qualified opinion
	(c)	**Frequency of Qualification :**	First Time
	(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 new management has taken over the Company on the last day of the Financial year, consequent to the approval of the Resolution Plan approved by Hon'ble NCLT, Chennai. The impairment assessment is made internally with the presently available data and will review/ reassess the present estimate on lifting of the lockdown and on resumption of business at normal levels and further adjustments, if any required, will be made on completion of a comprehensive impairment testing.
	(iii)	**Auditor's Comment on (i) or (ii) above:**	Refer "Basis for Qualified Opinion" in Audit report read with relevant notes in the financial results, the same is self-explanatory.
II	**Audit Qualification (Each audit qualification separately)**		
2	(a)	**Details of Audit Qualification:**	Further, due to the extension of lockdown till June 30, 2020 across India to contain the spread of the Covid'19 virus, sufficient, appropriate audit evidence relating to physical verification of fixed assets/ related reconciliation with the books of account, direct confirmation for certain bank balances could not be obtained. Accordingly, we are unable to comment on the possible impact, if any, arising out of the above matters.
	(b)	**Type of Audit Qualification :**	Qualified opinion
	(c)	**Frequency of Qualification :**	First time
	(d)	**For Audit Qualification(s) where the impact is quantified by the Auditor, Management Views:**	N.A.
	(e)	**For Audit Qualification(s) where the impact is not quantified by the Auditor:**	
	(i)	**Management's estimation on the impact of audit qualification:**	N.A
	(ii)	**If management is unable to estimate the impact, reason for the same**	The management confirms that all required documents / information are available at various locations of the Company. The management also confirms that it would proceed to complete the pending external confirmations such as Bank confirmation, Balance confirmation etc, once the lock down is lifted and normalcy resumed.
	(iii)	**Auditor's Comment on (i) or (ii) above:**	Refer "Basis for Qualified Opinion" in Audit report read with relevant notes in the financial results, the same is self-explanatory.

III Signatories

Manish Dhanuka
Managing Director

Sunil Gupta	**Manoj Kumar Goyal**
Chief Financial Officer	Audit Committee Chairman

Place: New Delhi
Date : June 29, 2020

Statutory Auditor

Refer our Independent Auditors' report dated June 29, 2020 on Standalone Financial Results of the Company

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

Chinnsamy Ganesan
Partner
Membership No.027501

Place : Chennai
Date : June 29, 2020

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, 2020 – CONSOLIDATED BASIS [PURSUANT TO REGULATION 33 & 52 OF THE SEBI (LODR) (AMENDMENT) REGULATIONS, 2016]

CONSOLIDATED BASIS

I	Sl. No	Particulars	Audited figures (as reported before adjusting for qualifications) (Rs. In Lakhs)	Audited figures (audited figures after adjusting for qualifications) (Rs. In Lakhs)
	1	Turnover /Total Income (including other income)	53252.86	53252.86
	2	Total Expenditure (Including finance cost and exceptional items)	66562.09	66562.09
	3	Net Profit / (Loss)	(13309.23)	(13309.23)
	4	Earnings per Share (In Rs.)	(32.11)	(32.11)
	5	Total Assets	172165.59	172165.59
	6	Total Liabilities	69729.85	69729.85
	7	Net worth	102435.74	102435.74
	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 management has based on the internal evaluation and the best estimate made by it, has not recognised any impairment in the carrying value of Property, Plant and Equipment (PPE) and internally generated intangible assets comprising of DBF/ ANDA and recognised a partial impairment loss against PPE under development, intangibles under development and non-moving and slow moving inventories, which were subject matters of audit qualification for the earlier quarters and years. We were informed that the above estimate could not be supported by a detailed working, technical analysis, basis for the business projections, independent evaluation of the management estimate using external experts and other supporting information due to the limitations in getting all the related data and external evidences supporting the assumptions used in the estimate due to the present limitation/ access to data and consultants due to the nationwide lockdown pursuant to the Covid'19 Pandemic. The above coupled with the other adjustments made to give effect for the resolution plan as morefully explained in the Emphasis of Matters section of this report has resulted in recognition of capital reserve Rs. 1,84,169.63Lakhs. The management confirms that the impairment assessment is made internally with the presently available data and will review/ reassess the present estimate on lifting of the lockdown and on resumption of business at normal levels and further adjustments, if any required, will be made on completion of a comprehensive impairment testing. In the absence of completion of such comprehensive impairment testing, we are unable to comment on the impact, if any, on the financial results, the carrying amounts of the aforesaid account balances and on the appropriateness of recognising capital reserve as aforesaid as per applicable financial reporting framework. The possible impact, if any, arising out of the above matters on the Statement is not presently determinable.	

	(b)	**Type of Audit Qualification :**	Qualified opinion
	(c)	**Frequency of Qualification :**	First Time
	(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 new management has taken over the Company on the last day of the Financial year, consequent to the approval of the Resolution Plan approved by Hon'ble NCLT, Chennai. The impairment assessment is made internally with the presently available data and will review/ reassess the present estimate on lifting of the lockdown and on resumption of business at normal levels and further adjustments, if any required, will be made on completion of a comprehensive impairment testing.
	(iii)	**Auditor's Comment on (i) or (ii) above:**	Refer "Basis for Qualified Opinion" in Audit report read with relevant notes in the financial results, the same is self-explanatory.
II	**Audit Qualification (Each audit qualification separately)**		
2	(a)	**Details of Audit Qualification:**	Further, due to the extension of lockdown till June 30, 2020 across India to contain the spread of the Covid'19 virus, sufficient, appropriate audit evidence relating to physical verification of fixed assets/ related reconciliation with the books of account, direct confirmation for certain bank balances could not be obtained. Accordingly, we are unable to comment on the possible impact, if any, arising out of the above matters.
	(b)	**Type of Audit Qualification :**	Qualified opinion
	(c)	**Frequency of Qualification :**	First time
	(d)	**For Audit Qualification(s) where the impact is quantified by the Auditor, Management Views:**	N.A.
	(e)	**For Audit Qualification(s) where the impact is not quantified by the Auditor:**	
	(i)	**Management's estimation on the impact of audit qualification:**	N.A
	(ii)	**If management is unable to estimate the impact, reason for the same**	The management confirms that all required documents / information are available at various locations of the Company. The management also confirms that it would proceed to complete the pending external confirmations such as Bank confirmation, Balance confirmation etc., once the lock down is lifted and normalcy resumed.
	(iii)	**Auditor's Comment on (i) or (ii) above:**	Refer "Basis for Qualified Opinion" in Audit report read with relevant notes in the financial results, the same is self-explanatory.

<table>
<tr><td>II</td><td colspan="3">Audit Qualification (Each audit qualification separately)</td></tr>
<tr><td>3</td><td>(a)</td><td>Details of Audit Qualification:</td><td>The consolidated financial results for the quarter and year ended March 31, 2020 include the financial results for the quarter and year ended March 31, 2020 of the following subsidiary companies:
(i) Orchid Europe Limited, UK
(ii) Orchid Pharmaceuticals Inc., USA
(iii) Bexel Pharmaceuticals Inc., USA
(iv) Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa
(v) Diakron Pharmaceuticals, Inc. USA
We did not audit the financial statements of the above subsidiaries that reflect total assets of Rs.991.39 lakhs and net assets of Rs. 4,175.44 lakhs as at March 31, 2020, total revenue of Rs. 259.25 lakhs, total comprehensive Income (comprising of loss and other comprehensive income) of Rs.1,876.58 lakhs and net cash flows amounting to Rs.37.50 lakhs for the year ended on that date, as considered in the consolidated financial statements.
The financial statements of the subsidiaries are unaudited and have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries, is based solely on such unaudited financial statements. Accordingly, we do not express any opinion on the completeness and true and fair view of the financial statements, including adjustments, if any, required on the carrying amount of assets and liabilities of the above subsidiaries as at March 31, 2020 included in the Consolidated Financial Statements. This has also been qualified in our limited review reports of the earlier quarters and audit reports of earlier years.</td></tr>
<tr><td></td><td>(b)</td><td>Type of Audit Qualification :</td><td>Qualified opinion</td></tr>
<tr><td></td><td>(c)</td><td>Frequency of Qualification :</td><td>Repetitive</td></tr>
<tr><td></td><td>(d)</td><td>For Audit Qualification(s) where the impact is quantified by the Auditor, Management Views:</td><td>N.A.</td></tr>
<tr><td></td><td>(e)</td><td colspan="2">For Audit Qualification(s) where the impact is not quantified by the Auditor:</td></tr>
<tr><td></td><td>(i)</td><td>Management's estimation on the impact of audit qualification:</td><td>N.A.</td></tr>
<tr><td></td><td>(ii)</td><td>If management is unable to estimate the impact, reason for the same</td><td>The subsidiaries of the Company are located in USA, UK and South Africa. Audit is not compulsory for companies in USA, if they are not publicly traded. The audit for the UK subsidiary is being done during third quarter of the Financial year and the subsidiary at South Africa does not have any operations. The cost of getting financials audited is also higher in USA. Hence the management has used unaudited financials for the purpose of consolidation.</td></tr>
<tr><td></td><td>(iii)</td><td>Auditor's Comment on (i) or (ii) above:</td><td>Refer "Basis for Qualified Opinion" in Audit report read with relevant notes in the financial results, the same is self-explanatory.</td></tr>
</table>

III Signatories

Manish Dhanuka
Managing Director

Sunil Gupta
Chief Financial Officer

Manoj Kumar Goyal
Audit Committee Chairman

Place: New Delhi
Date : June 29, 2020

Statutory Auditor

Refer our Independent Auditors' report dated June 29, 2020 on Consolidated Financial Results of the Company

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

Chinnsamy Ganesan
Partner
Membership No.027501

Place : Chennai
Date : June 29, 2020

ANNEXURE X TO THE BOARD'S REPORT
MANAGEMENT'S REPLY TO THE OBSERVATIONS OF SECRETARIAL AUDITOR FOR THE FINANCAL YEAR 2019-20

Sl. No.	Secretarial Auditor's Observation	Management's Reply
1	There has been delay, in filing /non-filing of returns with Registrar of Companies with respect to few events happened during the year 2019-20.	Due to non availability of authorized signatories few forms where filed with delays, which are however taken on record by the Registrar of Companies, Chennai. In case of MGT 7 for 2018-19, the Company could not file since the number of directors were less than 3 during this period. The Company has raised ticket with MCA in portal and has given letter to the Regulator to allow the Company to file the form since it was under CIRP during the said period. Once it is permitted by the Regulator, the Company will be able to file the said form. The Company has deployed systems to avoid such delays in filing of forms.
2	Delay in filing of Audited financial results for the year ended March 31, 2019 and quarterly unaudited financial results for the quarter ended December 31, 2019 with Stock Exchanges under SEBI (LODR) 2015.	On both the occasion, the delay of holding the Meeting was for 4 days. The meeting date was fixed after ascertaining the availability of the Members.
3	Compliances related to Independent Directors have not been complied with, as there are no Independent Directors on the Board and there was no director on the Board till March 30, 2020, as all the directors had resigned /ceased to be a director and the Nominees of the Banks were withdrawn.	Due to the cessation of all the Independent directors on the Board, these requirements could not be met with. However, new Independent Directors were inducted on the Board on June 29, 2020 and this requirement shall be complied with in the coming years.
4	Delay in filing of the Annual Secretarial Compliance Report for the Financial Year ended 31.03.2019.	The delay was for a period of three (3) days. The Company has deployed proper systems in place to adhere with the applicable laws.
5	Vacancy of Company Secretary is not filled within 6 months as required under Section 203 of the Companies Act, 2013.	The Company was not in a position to attract any talent at senior levels. Post the Order passed by the Honourable Supreme Court of India on February 28, 2020 and paving way for the implementation of the resolution plan as approved by the Hon'ble NCLT Chennai, the Company was able to identify and appoint Company Secretary on March 05, 2020.
6	The return on Foreign Liabilities and Assets for the Financial year 2018-19 was filed with delay.	The delay was for a period of 16 days. The Company has deployed proper systems in place to adhere with the applicable laws.

ANNEXURE XI
FORM MGT - 9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies Management and Administration) Rules, 2014

I. REGISTRATION AND OTHER DETAILS

I	**CIN**	L24222TN1992PLC022994
II	**Registration date**	1 July,1992
III	**Name of the Company**	Orchid Pharma Limited
IV	**Category / Sub-category of the Company**	Indian Non-Government Company
V	**Address of the Registered office and contact details**	"ORCHID TOWERS", No. 313, Valluvarkottam High Road, Nungambakkam, Chennai 600034, Tamilnadu, India. Ph. : +91-44-2821 1000, Fax No.+91-44-2821 1002 Email - corporate@orchidpharma.com
VI	**Whether Listed Company**	Yes
VII	**Name, Address and contact details of Registrar and Transfer Agent, if any**	M/s.Integrated Registry Management Services Private Limited 2nd floor, Kences Towers, No. 1, Ramakrishna Street, North Usman road, T. Nagar, Chennai- 600 017, Tamil Nadu Ph. : +91-44-2814 0801, Fax : +91-44-28142479 E-Mail : corpserv@integratedindia.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are given below:

S. No	Name and description of main product /Services	NIC code of the product /service	% to total turnover of the Company
1	Manufacturing - Pharmaceuticals	C6	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl.no.	Name and address of the Company	CIN/GNL	Holding / Subsidiary / Associates	% of shares held	Applicable section
1	**Orchid Europe Limited** Rear Ground Floor, Hygeia Building, 66-68 College Road, Harrow Middlesex, United Kingdom-HA1 1BE	NA	Subsidiary	100	2(87)
2	**Orchid Pharmaceuticals Inc** 2711, Centreville Road, Suite 400 Wilmington de 19808 - 1645 USA	NA	Subsidiary	100	2(87)
3	**Orchid Pharmaceuticals SA (Proprietary Limited) Inc.** Jankara Building, 3 Greyling Street, Potchefstroom 2531, South Africa	NA	Subsidiary	100	2(87)
4	**Bexel Pharmaceuticals Inc** 32980 Alvaradoste, 810 Union City, CA 94587, United States	NA	Subsidiary	100	2(87)

5	**Diakron Pharmaceuticals Inc** 4570, Executive Drive Suite, 100 San Diego, California, USA	NA	Subsidiary	76.65	2(87)
6	**Orgenus Pharma Inc., USA** 700, Alexander Park, Suite 104 Priceton, N J 08540-6832,USA (Wholly owned subsidiary of Orchid Pharmaceuticals Inc)	NA	Step-down Subsidiary	100	2(87)
7	**Orchid Pharma Inc / Karalex Pharma USA** 100, Overlook Center, Second Floor, Princeton, N J 08540,USA (Wholly owned subsidiary of Orchid Pharmaceuticals Inc)	NA	Step-down Subsidiary	100	2(87)

Note: 8,89,64,327 equity shares of Rs. 10/- each aggregating to Rs. 88,96,43,270 (Rupees Eighty Eight Crore Ninety-Six Lakhs Forty Three Thousand and Two Hundred Seventy)(ISIN: INE191A01019) is the paid up capital of the company prior to the execution of the Corporate actions as per approved Resolution plan. As per the Resolution plan approved for Orchid Pharma Ltd. by the Honourable National Company Law Tribunal, Chennai Bench vide its Order dated June 25/27,2019 and subsequently upheld by the Honourable Supreme Court of India vide its Order dated February 28,2020, the Monitoring Committee at its meeting convened on March 31,2020 has approved the allotment of 4,00,00,072 Equity shares of Rs.10/- each to M/s.Dhanuka Laboratories Limited ("Resolution Applicant")("DLL") which will constitute 98% of the share capital of the Company, post implementation of all the corporate actions as per approved Resolution plan. The Company has made applications to the Stock exchanges to give effect to the Corporate actions as envisaged under the approved Resolution plan and the approvals from the Stock exchanges are awaited. The listing & trading approvals for Reduction & Consolidation was accorded by NSE Ltd. & BSE Ltd. on October 29, 2020. The corporate action for Reduction & Consolidation was executed during October 2020.

Pursuant to Preferential allotment of 4,00,00,072 equity shares of Rs. 10/- each to M/s Dhanuka Laboratories Limited ("DLL") ("Resolution Applicant") constituting 98% of the Paid up capital post implementation of all Corporate actions as per approved Resolution plan, DLL is the holding company of Orchid Pharma Limited. However, approvals from the Stock Exchanges for the above Corporate actions is awaited.

The Paid up capital of the Company after implementation of all the Corporate actions as per approved Resolution plan for the Company is Rs.40,81,64,000/- (Comprising of 4,08,16,400 Equity shares of Rs.10/-each). However, the new paid up capital is not reflected as the approval from the Stock exchanges for the corporate actions as per the approved Resolution plan was pending on March 31, 2020.

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise shareholding

S. No	Categories of Shareholders	No. of Shares held at the beginning of the year (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)##				% of Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A.	**Promoter**									
1	**Indian**									
a	Individual/Hindu undivided family	34,64,207	-	34,64,207	3.89	34,64,207	-	34,64,207	3.89	-
b	Central Government /State Government	-	-	-	-	-	-	-	-	
c	Bodies Corporate	1,94,09,575	-	1,94,09,575	21.82	1,94,09,575	-	1,94,09,575	21.82	-
d	Financial institutions/Banks	-	-	-	-	-	-	-	-	
e	Any other (Specify)	-	-	-	-	-	-	-	-	
	Sub -total (A) (1)	**2,28,73,782**	**-**	**2,28,73,782**	**25.71**	**2,28,73,782**	**-**	**2,28,73,782**	**25.71**	**-**
2	**Foreign**									
a	Non-Resident Individuals	-	-	-	-	-	-	-	-	-
b	Other - Individuals	-	-	-	-	-	-	-	-	-
c	Bodies corporate	-	-	-	-	-	-	-	-	-

S.No	Categories of Shareholders	No. of Shares held at the beginning of the year (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)##				% of Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
d	Banks / FI	-	-	-	-	-	-	-	-	-
e	Any other (Specify)	-	-	-	-	-	-	-	-	-
	Sub -total (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total Shareholding of Promoter and Promoter Group (A)=(A) (1) + (A)(2)	**2,28,73,782**	**-**	**2,28,73,782**	**25.71**	**2,28,73,782**	**-**	**2,28,73,782**	**25.71**	**-**
B.	**Public Shareholding**									
1	**Institutions**									
a	Mutual Funds	450	100	550	0.00	450	100	550	0.00	-
b	Banks / FI	21,905	100	22,005	0.02	20,450	100	20,550	0.02	(0.00)
c	Central Government	-	-	-	-	-	-	-	-	-
d	State Government	-	-	-	-	-	-	-	-	-
e	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f	Insurance Companies	31,34,660	-	31,34,660	3.52	31,34,660	-	31,34,660	3.52	-
g	Foreign Institutional Investors	-	150	150	0.00	-	150	150	0.00	-
h	Foreign venture capital investors	-	-	-	-	-	-	-	-	-
i	Others (Specify)									
	Foreign Portfolio Investor	6,86,712	-	6,86,712	0.77	6,83,252	-	6,83,252	0.77	(0.00)
	Limited Liability Partnership	34,115	-	34,115	0.04	34,115	-	34,115	0.04	-
	Sub -total (B) (1)	**38,77,842**	**350**	**38,78,192**	**4.36**	**38,72,927**	**350**	**38,73,277**	**4.35**	**(0.01)**
2	**Non-Institutions**									
a	Bodies corporate	48,29,160	1,704	48,30,864	5.43	45,52,343	1,704	45,54,047	5.12	(0.31)
b	Individuals									
	i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	3,74,26,029	1,97,510	3,76,23,539	42.29	3,71,21,815	1,92,409	3,73,14,224	41.94	(0.35)
	ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	1,47,05,075	-	1,47,05,075	16.53	1,52,88,293	-	1,52,88,293	17.18	0.66

S.No	Categories of Shareholders	No. of Shares held at the beginning of the year (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)##				% of Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
c	Others (Specify)									
	NRI (R)	14,72,370	150	14,72,520	1.66	14,77,206	150	14,77,356	1.66	-
	NRI (NR)	2,62,236	-	2,62,236	0.29	265229	-	2,65,229	0.30	0.00
	Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
	Foreign companies	15,000	-	15,000	0.02	15,000	-	15,000	0.02	-
	IEPF	76,431	-	76,431	0.09	76,431	-	76,431	0.09	-
	Sub -total (B) (2)	**5,87,86,301**	**1,99,364**	**5,89,85,665**	**66.30**	**5,87,96,317**	**1,94,263**	**5,89,90,580**	**66.31**	**0.01**
	Total Public Shareholding (B)=(B) (1) + (B)(2)	**6,26,64,143**	**1,99,714**	**6,28,63,857**	**70.66**	**6,26,69,244**	**1,94,613**	**6,28,63,857**	**70.66**	**-**
	Total (A)+(B)	**8,55,37,925**	**1,99,714**	**8,57,37,639**	**96.37**	**8,55,43,026**	**1,94,613**	**8,57,37,639**	**96.37**	**-**
C.	**Shares held by Custodians and against which Depository Receipts have been issued**									
	1) Promoter group	-	-	-	-	-	-	-	-	-
	2) Public	32,26,688	-	32,26,688	3.63	32,26,688	-	32,26,688	3.63	-
	Sub -total (c)	**32,26,688**	**-**	**32,26,688**	**3.63**	**32,26,688**	**-**	**32,26,688**	**3.63**	**-**
	GRAND TOTAL (A)+(B)+ (C)	**8,87,64,613**	**1,99,714**	**8,89,64,327**	**100.00**	**8,87,69,714**	**1,94,613**	**8,89,64,327**	**100.00**	**-**

ii) **Shareholding of Promoters / Promoters Group & PAC ##**

S.No	Promoters name	Shareholding at the beginning of the Year 01.04.2019			Shareholding at the end of the Year 31.3.2020			Change in shareholding during the year
		No. of shares	% of total shares of the Company	% of Shares Pledged encumbered to total shares	No. of shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	SHRI K RAGHAVENDRA RAO[&]	10,66,173	1.20	1.20	10,66,173	1.20	1.20	-
2	SMT. R VIJAYALAKSHMI	23,90,755	2.69	2.69	23,90,755	2.69	2.69	-
3	M/S ORCHID HEALTH CARE PRIVATE LTD	1,94,09,575	21.82	21.82	1,94,09,575	21.82	21.82	-
4	SMT. DIVYA R	499	0.00	-	499	0.00	-	-
5	SMT. SOWMYA R	-	-	-	-	-	-	-
6	SMT. BHUVANA MANI	6,000	0.01	-	6,000	0.01	-	-
7	SMT. KOTA SWARNALATHA	-	-	-	-	-	-	-
8	SHRI. RAJAGOPAL K	780	0.00	-	780	0.00	-	-
	Total	**2,28,73,782**	**25.71**	**25.71**	**2,28,73,782**	**25.71**	**25.71**	**-**

##Note

8,89,64,327 equity shares of Rs. 10/- each aggregating to Rs. 88,96,43,270 (Rupees Eighty Eight Crore Ninety-Six Lakhs Forty Three Thousand and Two Hundred Seventy) (ISIN: INE191A01019) is the paid up capital of the company prior to the execution of the Corporate actions as per the approved Resolution plan.

As per the approved Resolution plan, the existing issued, subscribed and paid-up equity share capital of the Company shall be reduced and consolidated from Rs.88,96,43,270 divided into 8,89,64,327 equity shares of Rs.10/- each to Rs.40,81,640 divided into 4,08,164 equity shares of Rs.10/- each. The Paid up capital of the Company after implementation of all the Corporate actions as per approved Resolution plan for the Company is Rs.40,81,64,000/- (Comprising of 4,08,16,400 Equity shares of Rs.10/-each). However, the new paid up capital is not reflected as the approval from the Stock exchanges for the corporate actions as per the approved Resolution plan was pending on March 31, 2020. Hence the old paid-up share capital 8,89,64,327 Equity shares of Rs. 10 each, fully paid up continues to reflect in the list of shareholders as on March 31,2020. Accordingly, the details of the then Promoters continues to be reflected. The listing & trading approvals for Reduction & Consolidation was accorded by NSE Ltd. & BSE Ltd. on October 29, 2020. The corporate action for Reduction & Consolidation was executed during October 2020.

A total of 4,00,00,072 equity shares of Rs.10/- each has been allotted to new Promoters (M/s Dhanuka Laboratories Limited) which will constitute 98% of the total Equity Shares post implementation of Corporate actions as per approved Resolution plan and 4,08,164 equity shares of Rs.10/- each has been allotted to secured financial creditors towards part conversion of their dues. The company is in the process of submitting reclassification application to the stock exchanges for categorizing M/s. Dhanuka Laboratories Limited as "Promoters" from "Public".

[&] Disqualified u/s 164(2)(a) until October 21, 2023. Accordingly vacated office of Managing Director as required under Section 167 of the Companies Act 2013.

iii) Change in Promoters Shareholdings (Please specify , if there is no change)##

S. No	Particulars	Opening Balance (No. of shares)	% of total shares of the company	Date of increase or Decrease	Reasons for increase or decrease	No. of shares	% of total shares of the company	Cumulative Shareholding during the financial year 2019-20		Closing balance as on 31.03.2020	
								No. of shares	% of total shares of the company*	No. of shares	% of total shares of the company*
1	SHRI K RAGHAVENDRA RAO[&]	10,66,173	1.20							10,66,173	1.20
2	SMT. R VIJAYALAKSHMI	23,90,755	2.69							23,90,755	2.69
3	M/S ORCHID HEALTH CARE PRIVATE LTD	1,94,09,575	21.82							1,94,09,575	21.82
4	SMT. DIVYA R	499	0.00	NO CHANGE IN SHAREHOLDING DURING THE FINANCIAL YEAR 2019-20						499	0.00
5	SMT. SOWMYA R	-	-							-	-
6	SMT. BHUVANA MANI	6,000	0.01							6,000	0.01
7	SMT. KOTA SWARNALATHA	-	-							-	-
8	SHRI. RAJAGOPAL K	780	-							780	0.00

* The Percentage is calculated based on the issued & Paidup capital: 8,89,64,327 shares

##Note

8,89,64,327 equity shares of Rs. 10/- each aggregating to Rs. 88,96,43,270 (Rupees Eighty Eight Crore Ninety-Six Lakhs Forty Three Thousand and Two Hundred Seventy) (ISIN: INE191A01019) is the paid up capital of the company prior to the execution of the Corporate actions as per the approved Resolution plan.

As per the approved Resolution plan, the existing issued, subscribed and paid-up equity share capital of the Company shall be reduced and consolidated from Rs.88,96,43,270 divided into 8,89,64,327 equity shares of Rs.10/- each to Rs.40,81,640 divided into 4,08,164 equity shares of Rs.10/- each. The Paid up capital of the Company after implementation of all the Corporate actions as per approved Resolution plan for the Company is Rs.40,81,64,000/- (Comprising of 4,08,16,400 Equity shares of Rs.10/-each). However, the new paid up capital is not reflected as the approval from the Stock exchanges for the corporate actions as per the approved Resolution plan was pending on March 31, 2020.Hence the old paid-up share capital 8,89,64,327 Equity shares of Rs. 10 each, fully paid up continues to reflect in the list of shareholders as on March 31,2020. Accordingly, the details of the then Promoters continues to be reflected. The listing & trading approvals for Reduction & Consolidation was accorded by NSE Ltd. & BSE Ltd. on October 29, 2020. The corporate action for Reduction & Consolidation was executed during October 2020.

A total of 4,00,00,072 equity shares of Rs.10/- each has been allotted to new Promoters (M/s Dhanuka Laboratories Limited) which will constitute 98% of the total Equity Shares post implementation of Corporate actions as per approved Resolution plan and 4,08,164 equity shares of Rs.10/- each has been allotted to secured financial creditors towards part conversion of their dues. The company is in the process of submitting reclassification application to the stock exchanges for categorizing M/s. Dhanuka Laboratories Limited as "Promoters" from "Public".

[&]Disqualified u/s 164(2)(a) until October 21, 2023. Accordingly vacated office of Managing Director as required under Section 167 of the Act.

iv) Shareholding pattern of Top Ten Shareholders (Other than Directors , Promoters and Holders of GDRs and ADRs)

S. No.	Top 10 Shareholders	Opening Balance (No.of shares) as on 01.04.2019	% of total shares of the company*	Date of increase or Decrease	Reasons for increase or decrease	No. of shares	Cumulative Shareholding during the financial year 2019-20		Closing Balance as on 31.03.2020	
							No. of Shares	% of total shares of the company*	No.of Shares	% of total shares of the company*
1	LIFE INSURANCE CORPORATION OF INDIA	23,08,053	2.59	-	-	-	23,08,053	2.59	23,08,053	2.59
2	POLARIS BANYAN HOLDING PRIVATE LIMITED	8,79,000	0.99	-	-	-	8,79,000	0.99	8,79,000	0.99
3	COBRA INDIA (MAURITIUS) LIMITED	6,86,712	0.77	19-07-2019	Sale	(3,460)	6,83,252	0.77	6,83,252	0.77
4	KARVY STOCK BROKING LIMITED-CLIENT ACCOUNT-BSE CM	4,74,110	0.53	05-04-2019	Sale	(1,469)	4,72,641	0.53		
				12-04-2019	Purchase	1,496	4,74,137	0.53		
				19-04-2019	Sale	(245)	4,73,892	0.53		
				26-04-2019	Purchase	20	4,73,912	0.53		
				03-05-2019	Sale	(150)	4,73,762	0.53		
				10-05-2019	Purchase	1,154	4,74,916	0.53		
				17-05-2019	Sale	(305)	4,74,611	0.53		
				24-05-2019	Purchase	8,150	4,82,761	0.54		
				31-05-2019	Sale	(8,181)	4,74,580	0.53		
				07-06-2019	Purchase	773	4,75,353	0.53		
				14-06-2019	Purchase	38,835	5,14,188	0.58		
				21-06-2019	Sale	(7,700)	5,06,488	0.57		
				28-06-2019	Sale	(31,762)	4,74,726	0.53		
				05-07-2019	Sale	(20,094)	4,54,632	0.51		
				12-07-2019	Sale	(10,974)	4,43,658	0.50		
				19-07-2019	Purchase	2,920	4,46,578	0.50		
				26-07-2019	Sale	(1,050)	4,45,528	0.50	4,45,528	0.50
5	GENERAL INSURANCE CORPORATION OF INDIA	3,99,006	0.45	-	-	-	3,99,006	0.45	3,99,006	0.45
6	THE ORIENTAL INSURANCE COMPANY LIMITED	3,27,601	0.37	-	-	-	3,27,601	0.37	3,27,601	0.37

S. No.	Top 10 Shareholders	Opening Balance (No. of shares) as on 01.04.2019	% of total shares of the company*	Date of increase or Decrease	Reasons for increase or decrease	No.of shares	Cumulative Shareholding during the financial year 2019-20		Closing Balance as on 31.03.2020	
							No. of Shares	% of total shares of the company*	No.of Shares	% of total shares of the company*
7	MR.PHILIP SAMUEL	2,75,126	0.31				2,75,126	0.31	2,75,126	0.31
8	SHRI SIDDHARTH DUTTA	2,69,000	0.30	-	-	-	2,69,000	0.30	2,69,000	0.30
9	SHRI BABULAL SANGHVI	2,58,000	0.29	-	-	-	2,58,000	0.29	2,58,000	0.29
10	SMT. RAJITHAA	2,22,274	0.24	17-05-2019	Purchase	77,726	3,00,000	0.34		
				14-06-2019	Sale	(10,000)	2,90,000	0.33		
				12-07-2019	Sale	(90,000)	2,00,000	0.22	2,00,000	0.22

*** The Percentage is calculated based on the issued & Paidup capital: 8,89,64,327 shares**

v) Shareholding of Directors and Key Managerial Personnel (KMP)

S. No.	Top 10 Shareholders	Opening Balance (No. of shares) as on 01.04.2019	% of total shares of the company*	Date of increase or Decrease	Reasons for increase or decrease	No.of shares	Cumulative Shareholding during the financial year 2019-20		Closing Balance as on 31.03.2020	
							No. of Shares	% of total shares of the company*	No.of Shares	% of total shares of the company*
1	Shri Ram Gopal Agarwal^^	NIL								
2	Shri Manish Dhanuka^^									
3	Shri Mridul Dhanuka^^									
4	Shri Arun Kumar Dhanuka^^									
5	Shri K Raghavendra Rao- Erstwhile Managing Director	10,66,173	1.20	-	-	-	10,66,173	1.20	10,66,173	1.20
6	Shri L Chandrasekar - Company Secretary & CFO[#]	14,564	0.02	-	-	-	14,564	0.02	14,564	0.02
7	Ms. Nikita K-Company Secretary[$]	101	0.00	-	-	-	101	-	101	0.00

[&]Disqualified u/s 164(2)(a) until October 21, 2023. Accordingly vacated office of Managing Director as required under Section 167 of the Act.

[#] Shri L Chandrasekar - Company Secretary & CFO had retired from the services of the Company with effect from June 30,2019.

[$] Ms. Nikita K was appointed as the Company Secretary of the Company with effect from March 05, 2020

^^Pursuant to the implementation of the approved Resolution plan, Shri Ram Gopal Agarwal, Shri Manish Dhanuka, Shri Mridul Dhanuka and Shri Arun Kumar Dhanuka were inducted as Additional Directors on the Board on March 31, 2020. 4,00,00,072 Equity Shares of Rs.10/- each were allotted to new Promoters as per approved Resolution plan. Applications have been submitted to the stock exchanges for the corporate actions and approval for the same is awaited.

V. Indebtedness

Indebtedness of the Company including interest outstanding /accrued but not due for payment

₹in Crores

Particulars	Secured Loans	Un Secured Loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,049.85	138.31	-	3,188.16
ii) Interest due but not paid	173.73	41.79	-	215.52
Iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**3,223.59**	**180.10**	**-**	**3,403.69**
Change in indebtedness during the financial years				
Addition *	427.00	3,793.00	-	4,220.00
(Reduction)	(3,161.17)	(3,830.10)	-	(6,991.27)
Net Change	**(2,734.17)**	**(37.10)**	**-**	**(2,771.27)**
Indebtedness at the end of the financial year				
i) Principal Amount #	489.42	143.00	-	632.42
ii) Interest due but not paid	-	-	-	-
Iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**489.42**	**143.00**	**-**	**632.42**

*Addition in unsecured portion represents value of Optionally Convertible Debentures (OCD) issued during the year as per the Resolution Plan approved by Hon'ble NCLT, Chennai Bench and includes Rs.68.56 Crores disclosed as equity component of OCD under Other equity in the Balance sheet as at 31/03/2020.

Includes amounts repayable within one year from the date of the financial statements (i.e) 31/03/2020

VI) Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director / Whole Time Director/ Manager ₹. in Lakhs

SI.No.	Particulars of remuneration	Shri K Raghavendra Rao Erstwhile Managing Director&	Total amount
Gross salary			
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act,1961	11.20	11.20
	(b) Value of perquisites under Section 17(2) of the Income Tax Act,1961	-	-
	(c) Profits in lieu of salary under Section 17 (3) of the Income Tax Act,1961	-	-
2	Stock options	-	-
3	Sweat equity	-	-

Sl.No.	Particulars of remuneration	Shri K Raghavendra Rao Erstwhile Managing Director[&]	Total amount
4	Commission as % of profit	-	-
5	Others , Please Specify	-	-
	Other benefits	-	-
	Total (A)	11.20	11.20
	Ceiling as per the Act	Since the Company does not have profits for the financial year 2019-20, the ceiling limit as per Section II of part II, Part A of the Schedule V of the Companies Act, 2013 would be upto Rs. 120.13 Lakhs	

[&]Disqualified u/s 164(2)(a) until October 21, 2023. Accordingly vacated office of Managing Director as required under Section 167 of the Act. Shri Manish Dhanuka was appointed as the Managing Director by the Board with effect from June 29, 2020 and Shri Mridul Dhanuka was appointed as the Whole Time Director with effect from June 29, 2020.

B. Remuneration to other Directors

Non Executive Directors

Sl. No.	Particulars of remuneration	Name of the Directors			
		Shri Ram Gopal Agarwal	Shri Manish Dhanuka	Shri Arun Kumar Dhanuka	Shri Mridul Dhanuka
1.	Sitting fee for attending Board and Committee meetings	NIL[@]			
2	Commission				
3	Others, Please specify				
	Total				

[@] Post implementation of the approved Resolution plan, the Board was reconstituted on March 31,2020 and only One Board Meeting have been held during the reporting period on March 31,2020, for which no sitting fee was paid.

C. Remuneration to Key Managerial personnel (KMP) other than Managing Director / Manager/ Whole Time Director

₹ In Lakhs

Sl. No.	Particulars of remuneration	Shri L Chandrasekar Company Secretary & CFO[#]	Total	Ms. Nikita K Company Secretary[$]	Total
	Gross salary				
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act,1961	11.82	11.82	0.46	0.46
	(b) Value of perqusites under Section 17(2) of the Income Tax Act,1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17 (3) of the Income Tax Act ,1961	-	-	-	-
2	Stock options	-	-	-	-
3	Sweat equity	-	-	-	-
4	Commission as % of profit	-	-	-	-
5	Others , Please Specify	-	-	-	-
	Total (C)	11.82	11.82	0.46	0.46

[#] Shri L Chandrasekar - Company Secretary & CFO had retired from the services of the Company with effect from June 30,2019.

[$] Ms. Nikita K was appointed as Company Secretary of the Company with effect from March 05, 2020

Settlement amount Paid is not considered for the purpose of remuneration

VII . Penalties / Punishment / Compounding of Offences:

<table>
<tr><th>Type</th><th>Section of the Companies Act</th><th>Brief description</th><th>Details of penalty/punishment/Compounding fees imposed</th><th>Authority (RD/NCLT/Court)</th><th>Appeal made, if any (Give details)</th></tr>
<tr><td colspan="6">A. Company</td></tr>
<tr><td rowspan="2">Penalty/Late fees</td><td rowspan="2">NA</td><td rowspan="2">Regulation 33 of SEBI (LODR) regulations,2015- Fine for delay in submission of Audited financial results for the year ended March 31,2019</td><td>Rs. 23,600/-</td><td>National Stock Exchange of India Limited</td><td rowspan="2">NA</td></tr>
<tr><td>Rs. 23,600/-</td><td>BSE Limited</td></tr>
<tr><td>Punishment</td><td colspan="5" rowspan="11">NIL</td></tr>
<tr><td>Compounding</td></tr>
<tr><td>B. Director</td></tr>
<tr><td>Penalty</td></tr>
<tr><td>Punishment</td></tr>
<tr><td>Compounding</td></tr>
<tr><td>C. Other Officer in default</td></tr>
<tr><td>Penalty</td></tr>
<tr><td>Punishment</td></tr>
<tr><td>Compounding</td></tr>
</table>

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

Place: New Delhi
Date : November 11, 2020

Manish Dhanuka
Managing Director
DIN:00238798

Mridul Dhanuka
Whole Time Director
DIN:00199441

INDEPENDENT AUDITORS' REPORT

To the Members of

Orchid Pharma Limited

Report on the Audit of the Standalone financial statements

Qualified Opinion

We have audited the standalone financial statements of Orchid Pharma Limited ("the Company"), which comprise the balance sheet as at March 31, 2020 and the statement of profit and loss (including other comprehensive income) the statement of changes in equity and the statement of cash flows for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, 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, 2020 and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended as on that date.

Basis for Qualified Opinion

We draw attention to the following matters:

a) The management has based on the internal evaluation and the best estimate made by it, has not recognised any impairment in the carrying value of Property, Plant and Equipment (PPE) and internally generated intangible assets comprising of DBF/ANDA and recognised a partial impairment loss against PPE under development, intangibles under development and non-moving and slow moving inventories which were subject matters of audit qualification for the earlier quarters and years. We were informed that the above estimate could not be supported by a detailed working, technical analysis, basis for the business projections, independent evaluation of the management estimate using external experts and other supporting information due to the limitations in getting all the related data and external evidences supporting the assumptions used in the estimate due to the present limitation/ access to data and consultants due to the nationwide lockdown pursuant to the Covid'19 Pandemic. The above coupled with the other adjustments made to give effect for the resolution plan as morefully explained in the Emphasis of Matters Section of this report has resulted in recognition of capital reserve Rs. 1,84,169.63 Lakhs.

The management confirms that the impairment assessment is made internally with the presently available data and will review/ reassess the present estimate on lifting of the lockdown and on resumption of business at normal levels and further adjustments, if any required, will be made on completion of a comprehensive impairment testing.

In the absence of completion of such comprehensive impairment testing, we are unable to comment on the impact, if any, on the financial results, the carrying amounts of the aforesaid account balances and on the appropriateness of recognising capital reserve as aforesaid as per applicable financial reporting framework.

The possible impact, if any, arising out of the above matters is not presently ascertainable.

b) Further, due to the extension of lockdown till June 30, 2020 across India to contain the spread of the Covid'19 virus, sufficient, appropriate audit evidence relating to physical verification of fixed assets/related reconciliation with the books of account, direct confirmation for certain bank balances could not be obtained. Accordingly, we are unable to comment on the possible impact, if any, arising out of the above matters.

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

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

Key audit matters

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

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

Accounting treatment arising from implementation of resolution plan approved by the Hon'ble National Company Law Tribunal ("Hon'ble NCLT")

As morefully explained in Note 48 to the standalone financial statements, M/s Dhanuka Laboratories Limited, the successful resolution applicant has infused the required investments as per the approved Resolution Plan ("the Said Plan") and the Company has accounted for the transactions relating to the above as directed by the Hon'ble NCLT.

Principal Audit Procedures

- We assessed the Company's process to identify, assess and respond to risks of material misstatement considering the complexity of the terms and conditions of the Said Plan and the impact of the accounting treatment on the Company's operations and standalone financial statements for the year under consideration.
- As part of the evaluation of whether sufficient appropriate audit evidence has been obtained, we have evaluated the appropriateness of our initial risk assessments and revised previous risk assessments in for certain financial statement areas like claims and final settlement of financial and Operating Creditors, carrying amount of property, Plant and Equipment, Capital Work in Progress, intangible assets comprising of ANDA/ DMF and intangibles under development, including related disclosure requirements under the Act and respective Indian Accounting Standards.
- We have considered the impact on the processes and controls that may be affected by necessary changes to business processes in light of circumstances such as travel restrictions, result of remote working arrangements, non-availability of complete audit trail/ data and external valuation reports etc.
- We have reviewed the terms and conditions stipulated by the Hon'ble NCLT in the Said Plan.
- We have designed, performed new procedures and modified previously planned audit procedures as a result of the necessity for carrying out the audit procedures remotely, including verification of the source and completeness of data provided for audit. This includes performing alternative audit procedures to obtain audit comfort in respect of significant account balances for recognition, measurement and disclosures.
- We have audited the management's estimates required in the standalone financial statements, including but not limited to estimates related to expected credit loss, inventory obsolescence, impairment analyses by checking the reasonableness of underlying assumptions in making those key estimates. We specifically discussed the non-availability of external valuations/ impairment study with the management and critically challenged the key assumptions and their reasonableness in making such key accounting estimates as per the Said Plan.
- We have considered the basis of management judgment in determining impact on the standalone financial statements of subsequent events related to the implementation of the Said Plan (in light of the COVID-19 related restrictions) taking into consideration the date of the standalone financial statements, the facts and circumstances pertaining to the entity and the conditions that existed at, or arose after, that date. As the impacts of the COVID-19 outbreak continue to evolve, including regulatory restrictions/ conditions, capturing events that relate specifically to conditions that existed at the date of the standalone financial statements, or after the date of the standalone financial statements, we have considered all subsequent events and transactions to substantiate our conclusions on the appropriateness of management's estimate in making the adjustments as per the Said Plan.
- We have considered management's adjustments or disclosures which includes the impact of the changes in the environment on the recognition and measurement of account balances and transactions in the standalone financial statements or other specific disclosures as per the Said Plan.

Emphasis of Matters

We draw attention to

a) Note 1 and "Basis of preparation and presentation" section of Note 2 to the standalone financial statements, which describe the admission of Corporate Insolvency Resolution Process ("CIRP") application filed by an operational creditor of Orchid Pharma Limited ("the Company") by an order of the Hon'ble National Company Law Tribunal ("NCLT"), Chennai Bench with effect from October 27, 2017.

The Resolution Plan filed by the Resolution Professional ("RP") has been finally approved by the Hon'ble NCLT vide its order dated February 28, 2020, based on the order of the Hon'ble Supreme Court of India rejecting the order passed by the Hon'ble National Company Law Appellate Tribunal.

M/s Dhanuka Laboratories Limited, the successful resolution applicant has infused the required investments as per the approved Resolution Plan and these financial results have been prepared after giving effect to the said Resolution Plan and based on the confirmation of the settlement of financial and operating creditors as approved by the RP. Pursuant to the implementation of the Said Plan, the Company became a subsidiary of Dhanuka Laboratories Limited. We were informed that the financial creditors have issued digitally signed no due certificates as at March 31, 2020 and the satisfaction of charges will be filed with the Registrar of Companies on completion of allotment of equity shares to the financial creditors as per the Said Plan.

In view of the implementation of the Said Plan, the standalone financial statements have been prepared and presented by the Company on a Going Concern basis.

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

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

Other Matters

Further to the continuous spreading of COVID -19 across India, the Indian Government announced a strict 21-day lockdown on March 24, 2020, which was further extended till June 30, 2020 across the India to contain the spread of the virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

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

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

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

Information other than the Standalone financial statements and Auditors' report thereon

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

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

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

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

Management's responsibility for the Standalone financial statements

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

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

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

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

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

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

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

Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

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

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

(e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of

Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act;

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

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

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

a. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 45 to the standalone financial statements;

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

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

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

(CHINNSAMY GANESAN)
Partner
Membership No. 027501
UDIN: 20027501AAAABH5999

Place: Chennai
Date: June 29, 2020

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

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

1. **In respect of the Company's fixed assets:**

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

(b) The Company has a program of verification to cover all the items of fixed assets in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the said program, we were informed by the management that a portion of the fixed assets have been physically verified during the year but due to the Covid'19 related restrictions, the same could not be comprehensively reconciled with the books. Accordingly, we were unable to comment on whether any material discrepancies were noticed on such verification and whether they are properly dealt with in the standalone financial statements.

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

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

2. The inventory has been physically verified by the management during the year, based on planned cyclical count procedures. In our opinion, the frequency of such verification is reasonable. However, due to the lockdown restrictions imposed by the Central and State Government following the Covid'19 pandemic, the Company could not carryout physical verification of inventory as at the reporting date. Based on the cyclical physical count done by the management subsequent to the balance sheet date, the management confirmed that no material discrepancies were noticed on such verification. Since we could not observe the physical inventory verification because of the travel restrictions imposed due to Covid'19, we were unable to comment on whether any material discrepancies were noticed on such verification and whether they are properly dealt with in the standalone financial statements.

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

4. In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security to which the provision of section 185 of the companies Act are applicable.

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

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

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

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

(a) The Company has not been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Services Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities, taking into account the extended due dates notified by the respective authorities pursuant to Covid'19.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Sales- Tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable, taking into account the extended due dates notified by the respective authorities pursuant to Covid'19.

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

8. According to the information and explanation given to us and based on the records examined by us, the Company has defaulted in repayment of dues to banks, financial institutions and government since December 2016 and till March 30, 2020. However, pursuant to the implementation of the resolution plan as approved by the Hon'ble National Company Law Tribunal, the successful resolution applicant has repaid all the dues in respect of loans from banks, financial institutions and government on March 31, 2020. In respect of new loans taken during the period (as part of the resolution plan), there is no default in repayment of principal and interest as stipulated.

The Company does not have any dues to debenture holders during the year.

9. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

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

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

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

14. According to the information and explanations given to us and based on our examination of the records of the company, the company has made the following allotment of equity shares and optionally convertible debentures during the year:

Sl. No.	Allotted to	Type of Instrument	Number of Instruments allotted
1	Dhanuka Laboratories Limited (the successful resolution applicant of the CIRP)	Equity shares of Rs.10, fully paid	4,00,00,072
2	Financial Creditors (comprising of various consortium banks and financial institutions)	Equity shares of Rs.10, fully paid	4,08,164
3	Dhanuka Laboratories Limited (the successful resolution applicant of the CIRP)	0% Optionally Convertible Debentures of Rs.100,000 each fully paid	14,300

The above allotments were made based on the terms of the resolution plan approved by the Hon'ble National Company Law Tribunal and accordingly are not considered to be a preferential allotment or private placement of shares and debentures. Accordingly, paragraph 3(xiv) of the order is not applicable.

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

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

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

(CHINNSAMY GANESAN)
Partner
Membership No. 027501
UDIN: 2007501AAAABH5999

Place: Chennai
Date: June 29, 2020

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

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

Report on the internal financial controls over financial reporting under clause (I)of sub- section 3 of section 143 of the Companies Act, 2013("the Act")

We have audited the internal financial controls over financial reporting of Orchid Pharma Limited ("the Company") as at March 31, 2020, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

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

Auditors' responsibility

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

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

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

Meaning of internal financial controls over financial reporting

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

Inherent limitations of internal financial controls over financial reporting

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

Basis for qualified opinion

We observed significant deficiencies in the internal financial controls relating to maintenance of sufficient, appropriate audit trail/ documentation in respect of (a) physical verification of fixed assets; and (b) related reconciliation with the books of account.

Qualified Opinion

In our opinion and according to the information and explanations given to us, the Company has to further strengthen in all material respects, the internal financial control system over financial reporting to make such internal financial controls over financial reporting to operate effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other matters

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

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

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

(CHINNSAMY GANESAN)
Partner
Membership No. 027501
UDIN: 20027501AAAABH5999

Place: Chennai
Date: June 29, 2020

Standalone Balance Sheet as at March 31, 2020

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

₹ in Lakhs

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,02,071.50	1,14,050.79
Intangible assets	4	1,809.36	2,084.18
Capital work in progress	5	7,798.11	26,384.64
Intangible assets under development	6	1,054.07	1,431.00
Financial assets			
Investments	7	33.83	47.21
Other financial assets	8	140.76	1,694.32
Other non-current assets	9	-	75,286.95
Total non-current assets		**1,12,907.63**	**2,20,979.09**
Current assets			
Inventories	10	15,479.56	16,711.14
Financial assets			
Trade receivables	11	6,638.11	14,072.78
Cash and cash equivalents	12	8,817.10	9,096.54
Bank balances other than above	13	8,602.85	23,320.79
Loans	14	-	-
Other financial assets	15	11.75	311.15
Current tax assets (net)	16	5,938.27	6,980.40
Other current assets	17	12,778.93	7,853.44
Total current assets		**58,266.57**	**78,346.24**
Total Assets		**1,71,174.20**	**2,99,325.33**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	4,081.64	8,896.43
Other equity	19	1,01,538.15	(84,395.49)
Total equity		**1,05,619.79**	**(75,499.06)**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	20	50,147.07	1,42,460.71
Provisions	21	1,178.54	769.64
Deferred tax liability (Net)	22	322.62	322.62
Total non-current liabilities		**51,648.23**	**1,43,552.97**

Standalone Balance Sheet as at March 31, 2020

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

₹ in Lakhs

	Notes	As at March 31, 2020	As at March 31, 2019
Current liabilities			
Financial liabilities			
Borrowings	23	-	69,549.00
Trade payables	24	6,205.84	26,992.83
Short term provisions	25	324.91	363.24
Other current liabilities	26	7,375.43	1,34,366.35
Total current liabilities		**13,906.18**	**2,31,271.42**
Total Liabilities		**65,554.41**	**3,74,824.39**
Total Equity and Liabilities		**1,71,174.20**	**2,99,325.33**

The accompanying notes form an integral part of the financial statements

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

Chinnsamy Ganesan
Partner
Membership No.027501
UDIN : 20027501AAAABH5999
Place: Chennai
Date: June 29,2020

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

Manish Dhanuka
Managing Director
DIN: 00238798
Place: New Delhi
Date: June 29,2020

Mridul Dhanuka
Whole Time Director
DIN: 00199441
Place: New Delhi
Date: June 29,2020

Sunil Gupta
Chief Financial Officer
Place : New Delhi
Date : June 29, 2020

Nikita K
Company Secretary
Place: Chennai
Date: June 29,2020

Statement of profit and loss for the year ended March 31, 2020

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

₹ in Lakhs

		Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Continuing Operations				
A	**Income**			
	Revenue from operations	27	50,544.79	58,364.62
	Other income	28	2,448.82	1,692.84
	Total income		**52,993.61**	**60,057.46**
B	**Expenses**			
	Cost of materials consumed	29	23,393.65	25,743.48
	Purchases of stock in trade	30	46.96	29.84
	Changes in inventories of finished goods and WIP	31	583.20	2,042.71
	Employee benefits expense	32	8,148.24	7,914.45
	Finance costs	33	415.85	29.96
	Depreciation and amortisation expense	34	12,590.07	12,992.47
	Other expenses	35	22,799.22	23,903.23
	Total expenses		**67,977.19**	**72,656.14**
C	**Loss before exceptional items and tax**		**(14,983.58)**	**(12,598.68)**
	Exceptional items - Income / (Expenses)	36	-	2,493.55
D	**Loss before tax from continuing operations**		**(14,983.58)**	**(10,105.13)**
	Income tax expense			
	Current tax	37	-	-
	Deferred tax charge/ (credit)		-	-
	Loss for the year		**(14,983.58)**	**(10,105.13)**

Statement of profit and loss for the year ended March 31, 2020

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

₹ in Lakhs

		Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
E	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Remeasurement of post employment benefit obligations		(188.84)	90.42
	Gain/ (Loss) on fair valuation of investments		(13.39)	(0.03)
	Other comprehensive income for the year, net of tax		**(202.23)**	**90.39**
Total comprehensive loss for the year			**(15,185.81)**	**(10,014.74)**
Earnings per share		38		
Basic earnings per share			(16.87)	(11.36)
Diluted earnings per share			(16.87)	(11.36)

The accompanying notes form an integral part of the financial statements

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

Chinnsamy Ganesan
Partner
Membership No.027501
UDIN : 20027501AAAABH5999
Place: Chennai
Date: June 29,2020

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

Manish Dhanuka
Managing Director
DIN: 00238798
Place: New Delhi
Date: June 29,2020

Mridul Dhanuka
Whole Time Director
DIN: 00199441
Place: New Delhi
Date: June 29,2020

Sunil Gupta
Chief Financial Officer
Place : New Delhi
Date : June 29, 2020

Nikita K
Company Secretary
Place: Chennai
Date: June 29,2020

Statement of Cash Flows for the year ended March 31, 2020

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

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash Flow From Operating Activities		
Profit/ loss before income tax	(14,983.57)	(10,105.13)
Adjustments for		
Depreciation and amortisation expense	12,590.07	12,992.48
(Profit)/ loss on sale of fixed assets	(8.82)	(0.34)
Interest income	(2,417.51)	(1,508.54)
Forex (Gain)/Loss Unrealised	3,782.17	9,161.98
Reversal of finance cost provision post CIRP period	-	(15,865.47)
Provision for diminution in value of investments	-	12,429.90
Provision for advances to subsidiaries	-	5,229.36
Allowance for expected credit loss	3,096.54	930.17
Finance costs (grouped under exceptional)	-	119.52
Finance costs	415.85	29.96
	2,474.73	13,413.89
Change in operating assets and liabilities		
(Increase)/ decrease in Other financial assets	829.13	195.66
(Increase)/ decrease in inventories	1,231.58	1,783.25
(Increase)/ decrease in trade receivables	3,813.57	(443.46)
(Increase)/ decrease in Other assets	(697.03)	(7,888.31)
Increase/ (decrease) in provisions and other liabilities	(512.87)	710.62
Increase/ (decrease) in trade payables	(139.21)	(5,825.62)
Cash generated from operations	6,999.90	1,946.03
Less : Income taxes paid (net of refunds)	1,042.13	(427.60)
Net cash from operating activities (A)	**8,042.03**	**1,518.43**
Cash Flows From Investing Activities		
Purchase of PPE (including changes in CWIP)	(423.47)	(662.10)
(Purchase)/ disposal proceeds of Investments	-	(0.17)
(Investments in)/ Maturity of fixed deposits with banks	14,717.94	3,723.16
Interest received	2,417.51	1,486.98
Net cash used in Investing Activities (B)	**16,711.98**	**4,547.87**

Statement of Cash Flows for the year ended March 31, 2020

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

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash Flows From Financing Activities		
Proceeds from issue of equity share capital	4,000.00	-
Proceeds from Borrowings	75,409.40	-
Repayment of Borrowings on implementation of Resolution Plan	(1,04,410.32)	-
Finance costs	(32.53)	(29.96)
Net cash from/ (used in) financing activities (C)	**(25,033.45)**	**(29.96)**
Net increase/decrease in cash and cash equivalents (A+B+C)	**(279.44)**	**6,036.34**
Cash and cash equivalents at the beginning of the financial year	9,096.54	3,060.20
Cash and cash equivalents at end of the year	**8,817.10**	**9,096.54**
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	8,815.54	9,096.04
- in fixed deposit with original maturity of less than 3 months	-	-
Cash on hand	1.56	0.50
	8,817.10	9,096.54

The accompanying notes form an integral part of the financial statements

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

Chinnsamy Ganesan
Partner
Membership No.027501
UDIN : 20027501AAAABH5999
Place: Chennai
Date: June 29,2020

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

Manish Dhanuka
Managing Director
DIN: 00238798
Place: New Delhi
Date: June 29,2020

Mridul Dhanuka
Whole Time Director
DIN: 00199441
Place: New Delhi
Date: June 29,2020

Sunil Gupta
Chief Financial Officer
Place : New Delhi
Date : June 29, 2020

Nikita K
Company Secretary
Place: Chennai
Date: June 29,2020

Statement of Changes in Equity for the year ended March 31, 2020

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

(A) Equity Share Capital

Balance at the end of March 31, 2018	**8,896.43**
Changes in equity share capital during the year	-
Balance at the end of March 31, 2019	**8,896.43**
Changes in equity share capital during the year	(4,814.79)
Balance at the end of March 31, 2020	**4,081.64**

(B) Other Equity

₹ in Lakhs

Particulars	Capital Reserve	Capital Reserve on Amalgama -tion	Securities Premium Reserve	Equity component of Optionally convertible debentures	General Reserve	Foreign Currency Monetary Item Translation Difference Account	Other Compre-hensive Income	Profit and Loss Account	Total
Balance as at April 1, 2018	**894.68**	**9,004.21**	**46,447.86**	**-**	**55,851.90**	**(3,167.28)**	**1.20**	**(1,85,342.46)**	**(76,309.89)**
Total Comprehensive Income for the year	-	-	-	-	-	-	90.39	(10,105.13)	(10,014.74)
Additions/(deductions) during the year	-	-	-	-	-	1,929.14	(90.42)	90.42	1,929.14
Balance as at March 31, 2019	**894.68**	**9,004.21**	**46,447.86**	**-**	**55,851.90**	**(1,238.14)**	**1.17**	**(1,95,357.17)**	**(84,395.49)**
Total Comprehensive Income for the year	-	-	-	-	-	-	(202.23)	(14,983.58)	(15,185.81)
Reduction of Share Capital	-	-	-	-	-	-	-	8,855.62	8,855.62
Additions/(deductions) during the year	30,048.26	1,54,121.37	-	6,856.06	-	1,238.14	188.84	(188.84)	1,92,263.83
Balance as at March 31, 2020	**30,942.94**	**1,63,125.58**	**46,447.86**	**6,856.06**	**55,851.90**	**-**	**(12.22)**	**(2,01,673.97)**	**1,01,538.15**

The accompanying notes form an integral part of the financial statements

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

Chinnsamy Ganesan
Partner
Membership No.027501
UDIN : 20027501AAAABH5999
Place: Chennai
Date: June 29,2020

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

Manish Dhanuka
Managing Director
DIN: 00238798
Place: New Delhi
Date: June 29,2020

Mridul Dhanuka
Whole Time Director
DIN: 00199441
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Date: June 29,2020

Sunil Gupta
Chief Financial Officer
Place : New Delhi
Date : June 29, 2020

Nikita K
Company Secretary
Place: Chennai
Date: June 29,2020

Notes to Financial Statements for the year ended March 31, 2020

1 Corporate Information

Orchid Pharma Ltd., (the "Company") 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 and Pharmaceutical research at Chennai, India. Orchid has ISO 14001 and OHSAS 18001 certifications. Orchid's Equity shares are listed on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE) in India.

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

DLL infused the funds as per the terms of the resolution plan through a special purpose vehicle, Dhanuka Pharmaceuticals Private Limited. The special purpose vehicle was later on merged with the Company as per the terms of the approved resolution plan. Thus, the Company became a subsidiary of DLL.

2 Basis of preparation of financial statements

Statement of compliance

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

Basis of preparation and presentation

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

Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The Company continues to evaluate them as highly probable considering the orders in hand. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of the financial results. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals). The financial statements are approved for issue by the Board of Directors on June 29, 2020

2A Critical accounting estimates and management judgments

In application of the accounting policies, which are described in note 3, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Property, Plant and Equipment (PPE) and Intangible Assets

The residual values and estimated useful life of PPEs and Intangible Assets are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/ amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred Tax Assets

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

Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment of Trade Receivables

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

Impairment of Non-financial assets (PPE/ Intangible Assets)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined Benefit Plans and Other long term employee benefits

The cost of the defined benefit plan and other long term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

2B Recent accounting pronouncements

Standards issued but not yet effective

The amendments are proposed to be effective for reporting periods beginning on or after 1 April 2020

A) Issue of Ind AS 117 – Insurance Contracts

Ind AS 117 supersedes Ind AS 104 Insurance contracts. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. Under the Ind AS 117 model, insurance contract liabilities will be calculated as the present value of future insurance cash flows with a provision for risk.

The Company has evaluated the requirements of the above standards and considered that it is not applicable to the company and the effect on the financial statements is considered to be nil.

B) Amendments to existing Standards

Ministry of Corporate Affairs has carried out amendments of the following accounting standards:

1. Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
2. Ind AS 40 – Investment Property
3. Ind AS 103 – Business Combination

The Company has evaluated the requirements of the above standards/ its applicability to the Company and the effect on the financial statements is not considered to be significant.

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:

Notes to Financial Statements for the year ended March 31, 2020

Level 1 : Quoted (unadjusted) market prices in active market for identical assets or liabilities;

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

c) Revenue Recognition

Sale of goods

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

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. It comprises of invoice value of goods 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.

DMF and ANDA costs represent expenses incurred on development of processes and compliance with regulatory procedures of the US FDA, in filing Drug Master Files("DMF") and Abbreviated New Drug Applications("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.

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

(ii) Work-in-progress and intermediates: At cost or net realisable value whichever is lower, after adjustment of unrealised profits on inter division transfer

(iii) Finished goods/ Traded goods: At cost or net realisable value whichever is lower, after adjustment of unrealised profits on inter division transfer

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.

For purposes of subsequent measurement, 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 instrument 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;

b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

The Company classifies a debt instrument at FVTOCI, if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes finance income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

The Company classifies all debt instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of classifying the equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in OCI, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents SPPI, are measured as detailed below depending on the business model:

Classification	Name of the financial asset
Amortised cost	Trade receivables, Loans given to employees and others, deposits, interest receivable and other advances recoverable in cash.
FVTOCI	Equity investments in companies other than subsidiaries and associates if an option exercised at the time of initial recognition.
FVTPL	Other investments in equity instruments

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of

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.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

Notes to Financial Statements for the year ended March 31, 2020

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

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

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 Recognition.

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

Notes to Financial Statements for the year ended March 31, 2020

ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

S. No	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
2	FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
3	Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
4	FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
5	FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
6	FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

i) Foreign currency transactions and translations

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date at which the transaction first qualifies for recognition.

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.

Notes to Financial Statements for the year ended March 31, 2020

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

m) Retirement and other employee benefits Short-term employee benefits

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Other long term employee benefits

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

n) Leases

Accounting policy applied till March 31, 2019

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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

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

A leased asset is depreciated over the useful life of the asset.

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

Accounting policy applied from April 01, 2019

The Company has adopted Ind AS 116 "Leases" as notified by MCA as on March 30, 2019. The MCA via this notification requires all entities to apply Ind AS 116 from Accounting period April 01, 2019. The entity has elected the "modified retrospective" approach for adopting Ind AS 116 and hence the comparative information relating to prior years will not be restated.

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

a) Initial measurement

Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid. Right-of-use asset is recognized and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of restoration costs and any initial direct costs incurred by the lessee.

b) Subsequent measurement

The lease liability is measured in subsequent periods using the effective interest rate method. Right-of-use asset is depreciated in accordance with requirements in Ind AS 16, Property, Plant and Equipment.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

However, Ind AS 116 provides the lessee with the option to recognise a low value asset or a short term lease (12 months 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.

Notes to Financial Statements for the year ended March 31, 2020

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) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

Notes to Financial Statements for the year ended March 31, 2020

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

4. Property, plant and equipment

₹ in Lakhs

Particulars	Tangible Assets										Intangible Assets		
	Freehold Land & Site Development	Leasehold Land	Buildings	Plant and Machinery	Furniture and Fittings	Vehicles	Office Equipment	Factory Equipment	Laboratory Equipment	Total	Internally generated DMF and ANDA	Computer Software	Total
Cost as at April 1, 2018	**2,608.52**	**52.83**	**16,736.47**	**1,18,211.10**	**259.21**	**13.24**	**1.56**	**438.58**	**1,530.38**	**1,39,851.89**	**2,544.28**	**60.87**	**2,605.15**
Additions	-	-	-	-	-	-	-	-	-	-			
Disposals	-	-	-	-	(0.08)	-	(0.03)	-	-	(0.11)		(0.20)	(0.20)
Cost as at March 31, 2019	**2,608.52**	**52.83**	**16,736.47**	**1,18,211.10**	**259.13**	**13.24**	**1.53**	**438.58**	**1,530.38**	**1,39,851.78**	**2,544.28**	**60.67**	**2,604.95**
Additions	-	-	44.75	272.27	-	-	-	4.39	12.66	334.07	-	3.31	3.31
Disposals	-	-	-	-	(0.05)	(1.35)	-	-	-	(1.40)	-	(0.02)	(0.02)
Cost as at March 31, 2020	**2,608.52**	**52.83**	**16,781.22**	**1,18,483.37**	**259.08**	**11.89**	**1.53**	**442.97**	**1,543.04**	**1,40,184.45**	**2,544.28**	**63.96**	**2,608.24**
Depreciation/ Amortisation													
As at April 1, 2018	**-**	**0.61**	**751.84**	**11,775.68**	**72.64**	**2.91**	**-**	**10.30**	**416.26**	**13,030.24**	**291.14**	**7.91**	**299.05**
Charge for the year			789.38	11,608.74	36.95	0.78	1.01	38.50	295.39	12,770.75	218.35	3.37	221.72
Disposals	-	-	-	-	-	-	-	-	-	-			-
As at March 31, 2019	**-**	**0.61**	**1,541.22**	**23,384.42**	**109.59**	**3.69**	**1.01**	**48.80**	**711.65**	**25,800.99**	**509.49**	**11.28**	**520.77**
Charge for the year	-	-	791.82	11,306.63	29.91	-	0.52	37.79	145.29	12,311.96	275.37	2.74	278.11
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	**-**	**0.61**	**2,333.04**	**34,691.05**	**139.50**	**3.69**	**1.53**	**86.59**	**856.94**	**38,112.95**	**784.86**	**14.02**	**798.88**
Net Block													
As at March 31, 2019	2,608.52	52.22	15,195.25	94,826.68	149.54	9.55	0.52	389.78	818.73	1,14,050.79	2,034.79	49.39	2,084.18
As at March 31, 2020	2,608.52	52.22	14,448.18	83,792.32	119.58	8.20	-	356.38	686.10	1,02,071.50	1,759.42	49.94	1,809.36

Notes to Financial Statements for the year ended March 31, 2020

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

₹ in Lakhs

		As at March 31, 2020	As at March 31, 2019
5	**Capital Work-in-progress**		
	PPE under development	7,798.11	26,384.64
		7,798.11	**26,384.64**
6	**Intangible Assets under development**		
	Intangible Assets under development	1,054.07	1,431.00
		1,054.07	**1,431.00**

7 Non-current investments

Investments in companies other than subsidiaries, associates and joint ventures at FVTPL

Non - Trade

	As at March 31, 2020	As at March 31, 2019
i. Investments in Equity Instruments (Quoted)		
18,600 equity shares (previous year 18,600) of Rs.10 each in Bank of India Ltd, fully paid up	6.00	19.39
ii. Investments in Equity Instruments (Unquoted)		
6,00,000 equity shares (previous year 6,00,000) of Rs. 10 each in Sai Regency Power Corporation Pvt.Ltd, fully paid up	60.00	60.00
9,11,430 equity shares (previous year 9,11,430) of Rs. 10 each in Madras Stock Exchange Limited, fully paid up	23.99	23.99
31,936 equity shares (previous year 31,936) of Rs.10 each in MSE Financial Services Limited, fully paid up	3.83	3.83
Investments in subsidiaries, associates and joint ventures at Cost		
I. Investments in Equity Instruments of Subsidiaries (Unquoted)		
10,000 Common Stock (previous year 10,000) of GBP. 1 each in Orchid Europe Limited, UK, fully paid up	6.42	6.42
2,00,000 Common Stock (previous year 2,00,000) of USD. 1 each in Orchid Pharmaceuticals Inc., USA, fully paid up	85.07	85.07
99,99,990 Series A & 48,93,750 Series B Convertible Preferred Stock par value USD 0.001 per share and 9,001,090 Common stock of par value USD 0.001 per share in Bexel Pharmaceutical Inc. *	8,883.24	8,883.24
1,10,00,000 Common stock (previous year 1,10,00,000) of Par value of USD 0.125 per share in Bexel Pharmaceutical Inc.	599.09	599.09
3,03,639 Ordinary shares (previous year 3,03,639) each Rand 1 in Orchid Pharmaceuticals SA (Proprietary) Limited South Africa, fully paid up	17.69	17.69
7,140,378 (previous year 7,140,378) Series A Preferred stock & 3,22,986 Common stock (previous year 3,22,986) par value of 0.83595 USD per share in Diakron Pharmaceuticals, Inc. USA	2,825.01	2,825.01
	12,510.34	12,523.73
Less: Provision for diminution in fair value of investments	(12,476.51)	(12,476.52)
	33.83	**47.21**

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

₹ in Lakhs

		As at March 31, 2020	As at March 31, 2019
	Total non-current investments		
	Aggregate value of quoted investments	6.00	19.39
	Aggregate market value of quoted investments	6.00	19.39
	Aggregate value of unquoted investments	12,504.34	12,504.34
	Aggregate amount of impairment in value of investments	(12,476.51)	(12,476.52)
	* Each Series A & B Preferred stock is convertible into One Common stock, at any time, at the option of the Company and will have voting rights equal to one common stock and has the same value as common stock.		
8	**Other non-current financial assets**		
	(Secured, considered good)	-	-
	(Unsecured, considered good)		
	Prepaid financial charges	-	961.65
	Deposits with Government authorities	134.46	414.65
	Other deposits	6.30	318.02
	Loans and receivables which have significant increase in credit risk	-	-
	Loans and receivables - Credit impaired		
	Loans to subsidiaries	5,229.36	5,229.36
	Others	202.66	202.66
		5,572.78	7,126.34
	Less: Allowance for expected credit loss	(5,432.02)	(5,432.02)
		140.76	**1,694.32**
9	**Other non-current assets**		
	(Secured, considered good)		
	Ear-marked balance transferred from other bank balances	-	22.74
	(Unsecured, considered good)		
	Capital advances	-	52,206.06
	Advances to suppliers	-	23,058.15
	Loans which have significant increase in credit risk	-	-
	Loans - Credit impaired	-	-
		-	**75,286.95**
10	**Inventories**		
	Raw materials	4,650.37	4,816.88
	Intermediates & Work-in-progress	4,241.94	5,024.60
	Finished goods	4,409.37	4,050.99
	Traded goods	-	158.92
	Stores and spare parts	1,591.74	1,668.88
	Chemicals and consumables	249.42	311.45
	Packing materials	336.72	679.42
		15,479.56	**16,711.14**

Notes to Financial Statements for the year ended March 31, 2020

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

₹ in Lakhs

		As at March 31, 2020	As at March 31, 2019
11	**Trade receivables**		
	Trade Receivables considered good - Secured	207.80	-
	Trade Receivables considered good - Unsecured	6,430.31	14,072.78
	Trade Receivables which have significant risk increase in credit risk	-	-
	Trade Receivables credit impaired	6,956.77	4,086.85
		13,594.88	18,159.63
	Less: Allowance for expected credit loss	(6,956.77)	(4,086.85)
		6,638.11	**14,072.78**
12	**Cash and cash equivalents**		
	Cash on hand	1.56	0.50
	Balances with banks		
	In current accounts	8,815.54	9,096.04
		8,817.10	**9,096.54**
13	**Other Bank Balances**		
	In Fixed Deposits with banks (maturing within 12 months from the reporting date)		
		1.22	23,320.79
	In earmarked accounts		
	Escrow Accounts	8,601.63	-
	Unpaid Dividend Account	-	22.74
	Less: Ear-marked balance transferred to non - current assets	-	(22.74)
		8,602.85	**23,320.79**
14	**Loans**		
	Loans considered good - Secured	-	-
	Loans considered good - Unsecured	-	-
	Loans which have significant risk increase in credit risk	-	-
	Loans credit impaired		
	Loans to subsidiaries	99.26	99.26
		99.26	99.26
	Less : Allowance for expected credit loss	(99.26)	(99.26)
		-	**-**
15	**Other current financial assets**		
	Financial assets - unsecured, considered good		
	Interest accrued	0.88	237.32
	Rent Advances	10.87	28.53
	Prepaid finance charges	-	45.30
	Financial assets which have significant risk increase in credit risk	-	-
	Financial assets credit impaired	-	-
		11.75	**311.15**

Notes to Financial Statements for the year ended March 31, 2020

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

₹ in Lakhs

		As at March 31, 2020	As at March 31, 2019
16	**Current tax assets**		
	Advance income tax (net of provision for tax)	5,938.27	6,980.40
		5,938.27	**6,980.40**
17	**Other current assets**		
	(Unsecured, considered good)		
	Advance recoverable in cash or in kind or for value to be received		
	Advance to suppliers	3,274.90	-
	Prepaid expenses	1,234.84	840.88
	MEIS license scripts entitlement	898.60	1,235.13
	Balances with Statutory Authorities	7,367.03	5,761.95
	Employees Advances	3.56	15.48
		12,778.93	7,853.44
	(Unsecured, considered doubtful)		
	Advances to Suppliers	15,333.30	15,333.30
	Less : Allowance for expected credit loss	(15,333.30)	(15,333.30)
		12,778.93	**7,853.44**
18	**Equity Share Capital**		
	Authorised Share Capital		
	15,00,10,000 Equity shares (previous year 15,00,00,000) of Rs. 10 each	15,001.00	15,000.00
		15,001.00	**15,000.00**
	Issued Share Capital		
	4,08,16,400 Equity shares (previous year 8,89,64,327) of Rs. 10 each	4,081.64	8,896.43
		4,081.64	**8,896.43**
	Subscribed and fully paid up share capital		
	4,08,16,400 Equity shares (previous year 8,89,64,327) of Rs. 10 each	4,081.64	8,896.43
		4,081.64	**8,896.43**

Notes:

(a) **Reconciliation of number of equity shares subscribed**

Balance as at the beginning of the year	8,89,64,327	8,89,64,327
Add: Issued during the year	4,04,08,236	-
Less : Capital Reduction as per Resolution Plan	(8,85,56,163)	-
Balance at the end of the year	**4,08,16,400**	**8,89,64,327**

There was a capital reduction effected during the year in addition to issue of fresh shares to the Resolution applicant and Secured Financial Creditors as per the approved Resolution Plan. The approval for these Corporate Actions from stock exchanges, where the shares are listed, are awaited.

Notes to Financial Statements for the year ended March 31, 2020

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

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

Name of the share holders	March 31, 2020		March 31, 2019	
	No of shares	%	No of shares	%
Dhanuka Laboratories Limited	4,00,00,072	98.00	-	-
Orchid Healthcare Private Limited	-	-	1,94,09,575	21.82

As per Rule 19A(5) of Securities Contract (Regulation) Rules 1957, a listed company which was taken over by another company in a resolution plan is permitted to have more than 75% held by the promotors group subject to the conditions that the public holding to be brought up to 10% with in a period of 18 months and the promoter group's holding to be brought down to a maximum of 75% within a period of 3 years. The Company is in the process of making necessary plans to comply with the requirement within the stipulated time.

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

The company has only one class of equity shares having a par value of Rs.10 each. The equity shares of the company having par value of Rs.10/- rank pari-passu in all respects including voting rights and entitlement to dividend. The dividend proposed if any, by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year, the Company proposed a dividend of Rs. Nil per equity share held (Previous year Rs. Nil per equity share held)

₹ in Lakhs

		As at March 31, 2020	As at March 31, 2019
19	**Other Equity**		
	Capital Reserve	30,942.94	894.68
	Capital Reserve on Amalgamation	1,63,125.58	9,004.21
	Securities Premium	46,447.86	46,447.86
	Equity component of Optionally convertible debentures	6,856.06	-
	General Reserve	55,851.90	55,851.90
	Foreign Currency Monetary Item Translation Difference Account	-	(1,238.14)
	Other Comprehensive Income	(12.22)	1.17
	Profit and Loss Account	(2,01,673.97)	(1,95,357.17)
		1,01,538.15	**(84,395.49)**
	a) Capital reserve		
	Balance at the beginning of the year	894.68	894.68
	Additions during the year (Refer note 52)	30,048.26	-
	Balance at the end of the year	**30,942.94**	**894.68**
	b) Capital Reserve on Amalgamation		
	Balance at the beginning of the year	9,004.21	9,004.21
	Additions during the year on implementation of Resolution Plan (Refer note 52)	2,44,321.24	-
	Appropriations on implementation of Resolution Plan (Refer note 52)	(90,199.87)	
	Balance at the end of the year	**1,63,125.58**	**9,004.21**
	c) Securities Premium		
	Balance at the beginning and end of the year	**46,447.86**	**46,447.86**
	d) Equity component of Optionally convertible debentures *		
	Balance at the beginning of the year	-	-
	Additions during the year on implementation of Resolution Plan	6,856.06	-
	Balance at the end of the year	**6,856.06**	**-**
	* Refer Note 48 for conversion terms		

Notes to Financial Statements for the year ended March 31, 2020

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

₹ in Lakhs

		As at March 31, 2020	As at March 31, 2019
	e) General Reserve		
	Balance at the beginning and end of the year	**55,851.90**	**55,851.90**
	f) Foreign Currency Monetary Item Translation Difference Account		
	Balance at the beginning of the year	(1,238.14)	(3,167.28)
	(Additions)/ Adjustments during the year	1,238.14	1,929.14
	Balance at the end of the year	**-**	**(1,238.14)**
	g) Other comprehensive income		
	Balance at the beginning of the year	1.17	1.20
	Net Other Comprehensive Income for the period	(202.23)	90.39
	(Deductions)/ Adjustments during the year	188.84	(90.42)
	Balance at the end of the year	**(12.22)**	**1.17**
	h) Profit and Loss Account		
	Balance at the beginning of the year	(1,95,357.17)	(1,85,342.46)
	Net profit for the period	(14,983.58)	(10,105.13)
	Reduction of share capital (Refer Note 18)	8,855.62	-
	Transfer from Other Comprehensive Income	(188.84)	90.42
	Balance at the end of the year	**(2,01,673.97)**	**(1,95,357.17)**
20	**Long Term Borrowings - at amortised cost**		
	Secured *		
	From Banks		
	Rupee Term Loans	48,942.24	2,14,775.76
	Foreign Currency Term Loans	-	56,044.14
	Unsecured Loans		
	0% Optionally Convertible Debentures	7,447.07	-
	Less: Current maturities of Long Term Debt (refer note 26)	(6,242.24)	(1,28,359.19)
		50,147.07	**1,42,460.71**
	* Refer Note 48 for repayment terms and security details and Note 52 on implementation of resolution plan		
21	**Provisions (Non-current)**		
	Provision for Employee Benefits		
	Compensated absences	412.92	325.83
	Gratuity	765.62	443.81
		1,178.54	**769.64**

Notes to Financial Statements for the year ended March 31, 2020

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

₹ in Lakhs

		As at March 31, 2020	As at March 31, 2019
22	**Deferred Tax Asset / (Liability) - Net**		
	Deferred Tax Liability		
	On Property, plant and equipment	19,749.52	24,031.60
	On Others	322.62	322.62
		20,072.14	24,354.22
	Deferred Tax Asset		
	On unabsorbed tax depreciation*	19,749.52	24,031.60
	Net deferred tax asset / (liability)	**(322.62)**	**(322.62)**
	* In view of carry forward losses under the Income Tax Act, 1961, the Company scaled down the recognition of deferred tax asset on unabsorbed depreciation to the extent of the deferred tax liability on property, plant and equipment		
23	**Current liabilities - Borrowings**		
	Secured		
	Working Capital Facilities / Borrowings	-	55,718.11
	Unsecured		
	Loans from Banks	-	8,114.12
	Loans from Others	-	2,500.00
	Loans from related parties	-	3,216.77
		-	**69,549.00**
	Also refer note 52 on implementation of resolution plan		
24	**Trade payables**		
	Dues to Micro enterprises and Small enterprises *	69.20	348.43
	Dues to Creditors other than Micro and Small enterprises	6,136.64	26,644.40
		6,205.84	**26,992.83**
	* 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. Please refer note 44		
25	**Provisions (Current)**		
	Provision for employee benefits		
	Gratuity	248.36	219.75
	Compensated absences	76.55	143.49
		324.91	**363.24**
26	**Other current liabilities**		
	Current maturities of Term Loans	6,242.24	1,10,985.93
	Interest accrued on borrowings (Refer Note 52)	-	21,552.65
	Unpaid dividends	-	22.74
	Statutory Liabilities	583.37	523.37
	Share Application money refundable	-	5.42
	Security Deposits received from Agents	-	193.00
	Advance and deposits from customers etc.,	549.82	1,083.24
		7,375.43	**1,34,366.35**

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

₹ in Lakhs

		For the year ended March 31, 2020	For the year ended March 31, 2019
27	**Revenue from operations**		
	Sale of Products		
	Manufactured goods	48,595.11	53,585.91
	Traded goods	96.39	100.60
	Other Operating Revenues		
	Sale of Other Materials	1,783.17	4,571.35
	Others	70.12	106.76
		50,544.79	**58,364.62**
	Details of Manufactured and Traded Goods		
	i. Manufactured Goods:		
	Cephalosporin API	45,639.61	47,850.65
	Cephalosporin FDF	222.37	483.88
	Non Penicillin Non Cephalosporin FDF	2,733.13	5,221.59
	Others	-	29.79
		48,595.11	**53,585.91**
	ii. Traded Goods		
	Non Penicillin Non Cephalosporin FDF	43.80	71.25
	Cephalosporin FDF	32.58	13.80
	Non Penicillin Non Cephalosporin API	20.01	15.55
	Others	-	-
		96.39	**100.60**
28	**Other income**		
	Interest income	2,417.51	1,508.54
	Profit on sale of assets	8.82	0.34
	Other non-operating income	22.49	183.96
		2,448.82	**1,692.84**
29	**Cost of materials consumed**		
	Opening inventory of raw materials	4,816.88	4,229.54
	Add : Purchases	23,227.14	26,330.82
	Less : Closing inventory of raw materials	(4,650.37)	(4,816.88)
		23,393.65	**25,743.48**

Notes to Financial Statements for the year ended March 31, 2020

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

₹ in Lakhs

		For the year ended March 31, 2020	For the year ended March 31, 2019
30	**Purchases of Stock in Trade**		
	Purchases of Stock in Trade	46.96	29.84
		46.96	**29.84**
31	**Changes in inventories of work-in-progress, stock in trade and finished goods**		
	Opening Balance		
	Intermediates & Work-in-progress	5,024.60	6,334.32
	Traded Goods	158.92	176.74
	Finished Goods	4,050.99	4,766.16
		9,234.51	**11,277.22**
	Closing Balance		
	Intermediates & Work-in-progress	4,241.94	5,024.60
	Traded Goods	-	158.92
	Finished Goods	4,409.37	4,050.99
		8,651.31	**9,234.51**
	Total changes in inventories	**(583.20)**	**(2,042.71)**
32	**Employee benefits expense**		
	Salaries and wages	6,729.16	6,301.76
	Contribution to provident and other funds	603.62	809.78
	Staff welfare expenses	815.46	802.91
		8,148.24	**7,914.45**
33	**Finance Cost**		
	Interest on Bank Borrowings	11.46	-
	Interest on others	404.39	29.96
		415.85	**29.96**
34	**Depreciation and amortisation expense**		
	Depreciation on Property, Plant and Equipment	12,311.96	12,770.75
	Amortisation of Intangible Assets	278.11	221.72
		12,590.07	**12,992.47**

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

₹ in Lakhs

		For the year ended March 31, 2020	For the year ended March 31, 2019
35	**Other expenses**		
	Power and Fuel	5,274.04	4,876.19
	Conversion Charges	1.16	34.04
	Consumption of Stores, Spares & Chemicals	2,340.01	2,146.68
	Rent	20.66	23.01
	Repairs to buildings	185.15	105.90
	Repairs to Machinery	216.30	165.20
	Factory maintenance	1,953.08	1,733.56
	Insurance	891.60	546.92
	Rates & Taxes	753.34	196.98
	Postage, Telephone & Telex	32.77	32.96
	Printing & Stationery	66.05	67.29
	Vehicle Maintenance	8.67	16.03
	Research & Development Expenses (Refer Note 43)	985.90	1,262.27
	Advertisement	1.58	37.48
	Recruitment expenses	8.29	12.88
	Payment to Auditors [Refer Note 35 (a)]	30.00	46.00
	Cost Audit fee	2.75	-
	Travelling and Conveyance	37.97	41.54
	Directors' Remuneration & perquisites	11.20	48.92
	Directors' travelling expenses		
	Inland	-	0.07
	Overseas	-	-
	Freight outward	365.06	367.68
	Commission on Sales	353.98	301.55
	Business Promotion and Selling Expenses	27.21	33.46
	Lease Rentals	1,126.92	1,126.92
	Consultancy & Professional Fees	1,376.28	677.16
	Allowance for expected credit loss	3,096.54	930.17
	Foreign exchange loss (net)	1,758.79	6,742.08
	Provision for Diminution in value of Investments	-	60.00
	Bank charges	206.59	638.46
	Miscellaneous expenses	1,667.33	1,631.83
		22,799.22	**23903.23**
35 (a)	**Payment to auditors**		
	For Statutory Audit	16.00	28.00
	For Limited Review	12.00	12.00
	For Certificates and other services	2.00	6.00
		30.00	46.00

Notes to Financial Statements for the year ended March 31, 2020

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

₹ in Lakhs

		For the year ended March 31, 2020	For the year ended March 31, 2019
36	**Exceptional items**		
	Reversal of interest in excess of claims admitted	-	15,792.57
	Exchange Rate Fluctuations (Gains)/ Reversals	-	4,300.24
	Provision for diminution in value of investments	-	(12,369.90)
	Provision for advances of subsidiary companies	-	(5,229.36)
		-	**2493.55**
37	**Income tax expense**		
	(a) Income tax expense		
	Current tax		
	Current tax on profits for the year	-	-
	Total current tax expense	**-**	**-**
	Deferred tax		
	Deferred tax adjustments	-	-
	Total deferred tax expense/(benefit)	**-**	**-**
	Income tax expense	**-**	**-**
	b) The income tax expense for the year can be reconciled to the accounting profit as follows:		
	Profit/(loss) before tax from continuing operations	(14,983.58)	(10,105.13)
	Income tax expense calculated at Nil% (34.944% - 34.944%)	-	-
	Effect of expenses that are not deductible in determining taxable profit	-	-
	Income tax expense	-	-
	c) Income tax recognised in other comprehensive income		
	Deferred tax		
	Remeasurement of defined benefit obligation	-	-
	Total income tax recognised in other comprehensive income	-	-

d) Movement of deferred tax expense for the year ended March 31, 2020

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant, and equipment and Intangible Assets	(24,031.60)	4,282.08	-	(19,749.52)
Unabsorbed tax depreciation*	24,031.60	(4,282.08)	-	19,749.52
Other temporary differences	(322.62)	-	-	(322.62)
	(322.62)	-	-	(322.62)

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

e) Movement of deferred tax expense during the year ended March 31, 2019

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	(9,414.23)	(14,617.37)	-	(24,031.60)
Unabsorbed tax depreciation*	9,414.23	14,617.37	-	24,031.60
Other temporary differences	(322.62)	-	-	(322.62)
	(322.62)	-	-	(322.62)

*Since the company has unabsorbed depreciation, it has scaled down the recognition of deferred tax asset to that extent it matches with the aggregate deferred tax liability arising on account of Property, Plant and Equipment. However, no deferred tax asset has been created in respect of carry forward business losses in the absence of convincing evidence that future taxable income will be available.

		For the year ended March 31, 2020	For the year ended March 31, 2019
38	**Earnings per share**		
	Profit for the year attributable to owners of the Company	(14,983.58)	(10,105.13)
	Weighted average number of ordinary shares outstanding	8,88,32,775	8,89,64,327
	Basic earnings per share (Rs)	(16.87)	(11.36)
	Diluted earnings per share (Rs)	(16.87)	(11.36)
	Note : Since the effect of optionally convertible debentures are anti-dilutive, it is ignored and the Diluted Earnings Per Share is considered to be equal to the Basic Earnings Per Share.		
39	**Earnings in foreign currency**		
	FOB value of exports	44,157.12	47,982.87
		44,157.12	**47,982.87**
40	**Expenditure in foreign currency (on accrual basis)**		
	Travelling expenses	7.39	4.18
	Interest and bank charges	21.12	24.32
	Professional/ consultancy fees	128.21	115.46
	Others	556.54	1,615.54
		713.26	**1,759.50**
41	**CIF value of imports**		
	Raw Materials and packing materials	14,324.00	15,649.21
	Capital goods	202.18	-
	Spare parts, components and consumables	813.49	1,231.05
		15,339.67	**16,880.26**

Notes to Financial Statements for the year ended March 31, 2020

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

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, 2020		Year ended March 31, 2019	
	Rs. In Lakhs	Percentage (%)	Rs. In Lakhs	Percentage (%)
Raw Materials and Packing Materials				
Imported	13,687.10	61.82	14,152.76	54.98
Others	8,453.13	38.18	11,590.72	45.02
	22,140.23	**100.00**	**25,743.48**	**100.00**
Stores, Spares and Consumable stores				
Imported	163.62	6.99	137.58	6.41
Others	2,176.39	93.01	2,009.09	93.59
	2,340.01	**100.00**	**2,146.67**	**100.00**

43 Expenditure on Research and Development

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue expenditure relating to Research and Development charged to the Statement of Profit and Loss (excusing depreciation) includes:		
Power and fuel	11.53	-
Consumption of stores, spares and chemicals	87.77	286.96
Salaries, wages and bonus	728.04	758.33
Contribution to Provident and other funds	60.79	64.85
Rates and taxes	-	0.38
Insurance	1.98	3.32
Postage, telephone and telex	0.03	0.09
Printing and stationery	1.57	1.83
Vehicle maintenance	1.75	0.76
Recruitment expenses	0.27	3.04
Travelling and conveyance	-	1.83
Filing and registration expenses	5.05	7.69
Consultancy and professional fees	55.12	112.75
Others	32.00	20.44
	985.90	**1,262.27**

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

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) The principal amount remaining unpaid at the end of the year	69.20	348.43
(b) The delayed payments of principal amount paid beyond the appointed date during the year	-	-
(c) Interest actually paid under Section 16 of MSMED Act	-	-
(d) Normal Interest due and payable during the year, as per the agreed terms	-	-
(e) Total interest accrued during the year and remaining unpaid	-	-

*This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

45 Commitments and contingent liabilities

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contingent Liability		
Claims against the company not acknowledged as debts *		
- Income Tax dispute pending before High Court of Chennai	-	11,079.98
- Excise demands under dispute pending before Excise authorities	-	343.47
- Service Tax dispute pending before High Court of Chennai	-	935.62
- Sales Tax dispute pending before Sales Tax authorities	-	552.56
- Self Generation Tax under dispute with State Electricity Board	-	1,378.30
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	96.97	96.67

Note :

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.

46 Operating Segments

The operations of the Company 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

Notes to Financial Statements for the year ended March 31, 2020

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

(a) Revenue from external customers

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
India	4,213.95	5,598.67
Rest of the world	44,477.55	48,087.84
Total	**48,691.50**	**53686.51**
(b) Non current assets		
The manufacturing facilities of the Company is situated in India and no non-current assets are held outside India		

(c) Information about major customers

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Number of external customers each contributing more than 10% of total revenue	-	1
Total revenue from the above customers	-	13,879.30

47 Operating lease arrangements

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
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. Accordingly, the Company has applied the practical expedient given in Ind AS 116 in respect of the above leases		
Lease payments recognised in the Statement of Profit and Loss	1,126.92	1,126.92

48 Terms and conditions of borrowings

Long term borrowings - Term loans from banks

As per the terms of the Loan agreement, Interest for the Rupee Term loan is 1Y MCLR+1.80%; commission for the LC in case of import : 0.50%+GST and in case of inland : 3.60%+GST. These loans are Repayable in 20 equal quarterly installments after a moratorium period of one year from the date of disbursement(i.e. November 30, 2022). These facilities are secured by:

I) First charge on all immovable assets by way of mortgage of land/ leasehold rights and all the buildings present and future.

ii) First charge on all movable fixed assets by way of hypothecation, of all movable fixed assets including movable plant and machinery, machinery, spares, tools and accessories, furniture & fixtures, vehicles, etc. present and future

iii) First charge over

a) all the rights, titles, interest, benefits, claims & demand whatsoever of the Company and as amended, varied or supplemented from time to time

b) all the title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee, performance bond provided by any party to the Company present or future.

c) First pari-passu charge on intangibles, goodwill, uncalled capital , present and future

iv) First charge by way of hypothecation over the entire current assets(both present & future)

v) Pledge of 50% of fully paid up equity shares of the Company held by the promoters to the lender through security trustee arrangement. In case of any restriction under Banking Regulation Act, promoter to pledge 30% of the fully paid up equity shares of the Company and provide Non Disposal Undertaking for the balance 20% with specific power of attorney authorizing Bank to sell those shares.

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

vi) The term loans are additionally secured by personal guarantee given by one of the director of the Company Mr. Manish Dhanuka and one of the director of the holding company Mr. Mahendra Kumar Dhanuka

Long term borrowings - 0% Optionally Convertible Debentures

During the year ended March 31, 2020, the Company has issued 14,300 0% Optionally Convertible Debentures (OCD) of Rs.1,00,000 each. In case, the OCD holders exercise their option to convert the same, then the said conversion shall happen only on the basis of face value of each of the OCD and no interest shall be payable to the OCD holders. However, if the OCD holders opt not to exercise their option for conversion, then the OCL holders shall be entitled to redemption premium of atleast 11 % IRR on annual basis on the amount of the said OCDs or such higher amount as the Board decides after considering the market price of shares of the Company; however in any case, redemption premium shall not exceed beyond 18% IRR on an annual basis. The said OCD, till the time it is not converted into equity shares, shall not be listed on any stock exchange in India and are permitted to be transferred only with the permission of the Board of Directors of the Company. Further there shall be no redemption of OCDs, including payment of interest/ other kind of return of what so ever nature thereon, until entire outstanding of the loan availed from Union Bank of India is paid in full to the lender.

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, 2020	March 31, 2019
Debt	56,389.31	2,53,446.64
Less: Cash and bank balances	17,419.95	32,417.33
Net debt	38,969.36	2,21,029.31
Total equity	1,05,619.79	(75,499.06)
Gearing ratio (%)	36.90%	-292.76%

Categories of Financial Instruments	March 31, 2020	March 31, 2019
Financial assets		
a. Measured at amortised cost		
Other non-current financial assets	140.76	1,694.32
Trade receivables	6,638.11	14,072.78
Cash and cash equivalents	8,817.10	9,096.54
Bank balances other than above	8,602.85	23,320.79
b. Mandatorily measured at FVTOCI		
Investments	33.83	47.21
Financial liabilities		
a. Measured at amortised cost		
Borrowings (non-current)	50,147.07	1,42,460.71
Borrowings (current)	-	69,549.00
Trade payables	6,205.84	26,992.83

Notes to Financial Statements for the year ended March 31, 2020

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

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:

As on March 31, 2020 (Also refer note 52 on implementation of resolution plan)

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	3.18	-	3.18	130.54	-	130.54	127.36
EUR	1.90	-	1.90	0.98	-	0.98	(0.92)
GBP	0.31	-	0.31	-	-	-	(0.31)
Others	2.15	-	2.15	-	-	-	(2.15)
In INR	436.17	-	436.17	9,823.55	-	9,823.55	9,387.38

As on March 31, 2019

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	893.62	-	893.62	176.68	-	176.68	(716.94)
EUR	4.00	-	4.00	1.08	-	1.08	(2.92)
GBP	2.59	-	2.59	-	-	-	(2.59)
Others	792.27	-	792.27	-	-	-	(792.27)
In INR	62,865.33	-	62,865.33	12,225.89	-	12,225.89	(50,639.44)

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 the exposure at the end of the reporting period does not reflect the exposure during the year.

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 for the year ended March 31, 2020 would decrease/ increase by Rs. 106.75 lakhs (March 31, 2019 : Till previous year, the Company was in CIRP process. Accordingly, in the opinion of the management, the quantitative disclosure of interest rate sensitivity was not considered to be a meaningful representation of the present facts.). 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.

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

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.

		Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	6,205.84	-	-	6,205.84
Borrowings (including interest accrued thereon upto the reporting date)	6,242.24	41,607.07	8,540.00	56,389.31
	12,448.08	41,607.07	8,540.00	62,595.15

March 31, 2019	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	26,992.83	-	-	26,992.83
Borrowings (including interest accrued thereon upto the reporting date)	1,28,359.19	1,42,460.71	-	2,70,819.90
	1,55,352.02	1,42,460.71	-	2,97,812.73

	March 31, 2020	March 31, 2019
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	Nil	Nil

Notes to Financial Statements for the year ended March 31, 2020
(All the amounts are in lakhs of Indian rupees, unless otherwise stated)

50 Related party disclosure

a) List of parties having significant influence

Holding company	Dhanuka Laboratories Limited (w.e.f. March 31, 2020)
Subsidiary Companies	Orchid Europe Limited, UK
	Orchid Pharmaceuticals Inc., USA
	Orgenus Pharma Inc., USA (Subsidiary of Orchid Pharmaceuticals Inc USA.)
	Orchid Pharma Inc / Karalex Pharma USA, (Subsidiary of Orchid Pharmaceuticals Inc, USA)
	Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa
	Bexel Pharmaceuticals Inc., USA
	Diakron Pharmaceuticals Inc., USA

Key Management Personnel and their relatives

Mr. Ram Gopal Agarwal*	Chairman and non executive director (w.e.f. June 29, 2020)
Mr. Manish Dhanuka*	Managing Director (w.e.f. June 29, 2020)
Mr. Mridul Dhanuka*	Wholetime Director (w.e.f. June 29, 2020)
Mr. Arun Kumar Dhanuka	Non Executive Director (w.e.f. March 31, 2020)
Mr. K. Raghavendra Rao	Managing Director (till December 31, 2019)
Mr. L. Chandrasekar	Chief Financial Officer (till June 30, 2019)
Mr. Sunil Gupta	Chief Financial Officer (w.e.f. June 29, 2020)
Ms. K Nikita	Company Secretary (w.e.f. March 5, 2020)

* Joined the Board as Director with effective from March 31, 2020

Enterprises in which Key Management Personnel and their Relatives have significant influence	Orchid Healthcare Private Ltd. (till December 31, 2019)

Transactions with related parties are as follows

Transactions/ Balances	Holding Company		Enterprises in which Key Management Personnel and their Relatives have significant influence		Key Management Personnel and their Relatives	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Sale of goods	-	-	481.61	536.78	-	-
Availing of services	-	-	87.43	12.24	-	-
Short Term Borrowings / Advances received	12.04	-	-	-	-	-
Remuneration & Short term benefits*	-	-	-	-	57.20	96.53
Equity Share Capital allotted	4,000.00	-	-	-	-	-
Debentures issued	14,300.00	-	-	-	-	-

*Post employment benefit comprising compensated absences is not disclosed as these are determined for the Company as a whole.

Notes to Financial Statements for the year ended March 31, 2020

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

Balances with related parties are as follows

Transactions/ Balances	Holding Company		Enterprises in which Key Management Personnel and their Relatives have significant influence		Key Management Personnel and their Relatives	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Trade receivables*	-	-	2,830.05	2,127.93		
Loans and advances (Current) *	-	-	5,229.36	5,229.36		
Short term borrowings	12.04	-	-	3,216.77	-	-
Trade payables	-	-	31.12	369.14		
Equity Share Capital	4,000.00	-	-	-	-	-
0% Optionally Convertible Debentures (including the equity component disclosed under "Other Equity"	14,300.00	-	-	-	-	-

*Provision has been made for the entire outstanding amount.

Material related party transactions are follows

Transactions/ Balances	Year ended March 31, 2020	Year ended March 31, 2019
Sale of goods		
Orchid Pharma Inc.	481.61	536.78
Availing of services		
Orchid Europe Limited	87.43	12.24
Remuneration & Short term benefits		
a) K.Raghavendra Rao	11.20	48.92
b) L. Chandrasekhar	45.54	47.61
c) K Nikita	0.46	-
Short Term Borrowings		
a) Dhanuka Laboratories Limited	12.04	-
Equity Share Capital		
Dhanuka Laboratories Limited	4,000.00	-
0% Optionally Convertible Debentures		
Dhanuka Laboratories Limited	14,300.00	-

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

Material related party balances are follows

Name of the related party	As at March 31, 2020	As at March 31, 2019
Trade receivables*		
Orchid Pharma Inc.	2,830.05	2,127.93
Trade payables		
Orchid Europe Limited	31.12	32.85
Bexel Pharmaceuticals Inc., USA	-	266.52
Orgenus Pharma Inc., USA	-	69.77
Equity Share Capital		
Dhanuka Laboratories Limited	4,000.00	-
0% Optionally Convertible Debentures (including the equity component disclosed under "Other Equity) Dhanuka Laboratories Limited	14,300.00	-

*Provision has been made for the entire outstanding amount

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 603.62 Lakhs (for the year ended March 31, 2019: Rs. 809.78 Lakhs) represents contribution paid to these plans by the Company at rates specified in the rules of the plan.

Defined benefit plans

(a) Gratuity

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Notes to Financial Statements for the year ended March 31, 2020

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

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31, 2020	March 31, 2019
Discount Rate	6.57%	7.32%
Rate of increase in compensation level	7.00%	5.00%
Expected return on plan assets	6.57%	7.32%
Mortality	Indian Assured Lives Mortality (2012-14)(Ultimate)	Indian Assured Lives Mortality (2006-08)(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, 2020	March 31, 2019
Amount recognised under Employee Benefits Expense in the Statement of profit and Loss:		
Current service cost	116.41	112.59
Net interest expense	87.01	98.65
Return on plan assets (excluding amounts included in net interest expense)	(43.41)	(63.77)
Components of defined benefit costs recognised in profit or loss	**160.01**	**147.47**
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	190.42	(96.16)
Components of defined benefit costs recognised in other comprehensive income	**190.42**	**(96.16)**
Components of defined benefit costs recognised in other comprehensive income	**350.43**	**51.31**

I. Current service cost and the net interest expense for the year are included in the 'Employee Benefits Expense' in profit or loss.

ii. The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

Present value of defined benefit obligation	1,616.09	1,419.73
Fair value of plan assets	(602.10)	(756.17)
Net liability/ (asset) arising from defined benefit obligation	**1,013.99**	**663.56**
Funded	1,013.99	663.56
Unfunded	-	-
	1,013.99	**663.56**

The above provisions are reflected under 'Provision for employee benefits- gratuity' (long-term provisions) [Refer note 21] and 'Provision for employee benefits- gratuity' (short-term provisions) [Refer note 25]

Movements in the present value of the defined benefit obligation in the current year were as follows:

Opening defined benefit obligation	1,419.73	1,348.86
Current service cost	116.41	112.59
Prior service cost	-	-
Interest cost	87.01	98.65
Actuarial (gains)/losses	183.82	(137.90)
Benefits paid	(190.88)	(2.47)
Closing defined benefit obligation	1,616.09	1,419.73

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

Movements in the fair value of the plan assets in the current year were as follows:

Opening fair value of plan assets	756.17	872.36
Difference in opening value	-	(5.74)
Return on plan assets	43.41	63.77
Redemption	-	(130.00)
Contributions	-	-
Benefits paid	(190.88)	(2.47)
Premium	-	(0.01)
Actuarial gains/(loss)	(6.60)	(41.74)
Closing fair value of plan assets	602.10	756.17

Sensitivity analysis

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(b) Compensated absences

The leave scheme is a final salary defined benefit plan, that provides for a lumpsum payment at the time of separation; based on scheme rules the benefits are calculated on the basis of last drawn salary and the leave count at the time of separation and paid as lumpsum.

The design entitles the following risk

Interest rate risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of these decrement on the DBO depends upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short caring employees will be less compared to long service employees.

The above provisions are reflected under 'Provision for employee benefits- Compensated absences' (long-term provisions) [Refer note 21] and 'Provision for employee benefits - Compensated absences' (short-term provisions) [Refer note 25].

52 Business Combination

Summary of acquisition

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

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

The new board constituted by the DLL took over the management of the Company and has approved these audited standalone financial statements after giving effect to approved resolution plan. The above business combination is accounted as per the following details:

Notes to Financial Statements for the year ended March 31, 2020

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

a) Liabilities assumed by Dhanuka Pharmaceuticals Private Limited

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

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

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

Expenses in respect of the above amalgamation is incurred by DLL, hence, no such expenses were debited to the statement of profit and loss of the Company. As part of the resolution plan, DLL has infused Rs. 61,000 lakhs as follows:

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

Notes to Financial Statements for the year ended March 31, 2020

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

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

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

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

a) Assets taken over and liabilities assumed

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

b) Capital Reserve on business combination

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

c) Adjustments made as per the Resolution Plan in Capital Reserve (refer note below)

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

Note : Provisional accounting of carrying amount of assets

The above adjustments to the carrying amount have been made on a provision basis due to Covid'19 related restrictions in getting complete valuation for various assets and liabilities, including impairment on the carrying value of property, plant and equipment, capital work in progress, intangibles and intangibles under development. The Company is in the process of getting a detailed valuation report on lifting of the general lockdown through external experts and any consequential adjustments will be made within 12 months from the date of acquisition as provided in Ind AS 103 for provisional accounting for business combinations.

Significant estimate - Contingent Consideration

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

Significant Judgement - Contingent Liability

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

Notes to Financial Statements for the year ended March 31, 2020

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

53 The Company is in the process of carrying out a comprehensive confirmation and reconciliation of receivables, loans and advances given, payables, bank balances and other financial assets, the claims received from the employees, financial creditors (including excess/ short provision of interest, non-provision of penal interest by the Company considering the agreement reached by the joint lenders meeting) and operational creditors with the books of account.

Further, the Company is in the process of carrying out physical verification of fixed assets/ related reconciliation with the books of account and reconciliation of restatement account of foreign currency assets and liabilities

Pending completion of the aforesaid comprehensive reconciliation, the possible impact, if any, is not presently determinable. Accordingly, no adjustment has been made in the financial statements.

54 The management has based on the internal evaluation and the best estimate made by it, has not recognised any impairment in the carrying value of property, plant and equipment (PPE) and internally generated intangible assets comprising of DBF/ ANDA and recognised a partial impairment loss against PPE under development, intangibles under development and non-moving and slow moving inventories.

The management confirms that the impairment assessment is made internally with the presently available data and will review/ reassess the present estimate on lifting of the lockdown and on resumption of business at normal levels and further adjustments, if any required, will be made on completion of a comprehensive impairment testing.

55 The Hon'ble National Company Law Tribunal ("NCLT"), Chennai Bench, admitted the Corporate Insolvency Resolution Process ("CIRP") application filed by an operational creditor of Orchid Pharma Limited ("the Company") and appointed an Interim Resolution Professional ("IRP"), in terms of the Insolvency and Bankruptcy Code, 2016 ("the Code") to manage the affairs of the Company vide CP no. CP/ 540/ (IB)/ CB/ 2017 dated August 17, 2017. Subsequently, Mr. Ramkumar Sripatham Venkata Subramanian (IP Registration no. IBBI/IPA-001/IP-P00015/2016-17/10039) has been appointed as the Resolution Professional ("RP") of the Company, by an order of NCLT with effect from October 27, 2017.

The Resolution Plan of Dhanuka Laboratories Limited was approved by the Hon'ble NCLT vide its order dated June 27, 2019. However, on an appeal filed by one of the unsuccessful Resolution Applicants, the Hon'ble National Company Law Appellate Tribunal ("NCLAT") stayed the implementation of the Resolution plan until further orders and on November 13, 2019, had set aside the approved resolution plan of Dhanuka Laboratories Limited (DLL).

State Bank of India, one of the COC member, preferred an appeal against the impugned order of the Hon'ble NCLAT before the Hon'ble Supreme Court of India and the Apex Court on February 28, 2020 has upheld the Order dated June 27, 2019 of NCLT, Chennai and set aside the Order of NCLAT dated November 13, 2019.

Pursuant to the above order, the Resolution plan submitted by the Resolution Applicant, "Dhanuka Laboratories Limited " ("DLL") was implemented during March 2020 through the Monitoring Committee constituted as per the resolution plan consisting of DLL (the successful resolution applicant), RP and two financial creditors of the Company on the effective date i.e. on March 31, 2020. Thus the Company became a subsidiary of DLL from the effective date.

The new board constituted by the DLL took over the management and has approved these audited financial results after giving effect to approved resolution plan.

56 In view of the implementation of the approved Resolution plan, the assets and liabilities have been restated/ reclassified during the current year as per the terms of the resolution plan. Accordingly, may not be fully comparable with that of the previous year (which is during CIRP).

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

Chinnsamy Ganesan
Partner
Membership No.027501
UDIN : 20027501AAAABH5999
Place: Chennai
Date: June 29,2020

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

Manish Dhanuka
Managing Director
DIN: 00238798
Place: New Delhi
Date: June 29,2020

Mridul Dhanuka
Whole Time Director
DIN: 00199441
Place: New Delhi
Date: June 29,2020

Sunil Gupta
Chief Financial Officer
Place : New Delhi
Date : June 29, 2020

Nikita K
Company Secretary
Place: Chennai
Date: June 29,2020

INDEPENDENT AUDITORS' REPORT

To the Members of **Orchid Pharma Limited**

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of Orchid Pharma Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise of the Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss (including Consolidated Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report the aforesaid Consolidated Financial Statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, and the consolidated loss, consolidated total comprehensive income, consolidated changes in equity and the consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw attention to the following matters:

a) The group's management has based on the internal evaluation and the best estimate made by it, has not recognised any impairment in the carrying value of Property, Plant and Equipment (PPE) and internally generated intangible assets comprising of DBF/ ANDA and recognised a partial impairment loss against PPE under development, intangibles under development and non-moving and slow moving inventories which were subject matters of audit qualification for the earlier quarters and years. We were informed that the above estimate could not be supported by a detailed working, technical analysis, basis for the business projections, independent evaluation of the group's management estimate using external experts and other supporting information due to the limitations in getting all the related data and external evidences supporting the assumptions used in the estimate due to the present limitation/ access to data and consultants due to the nationwide lockdown pursuant to the Covid'19 Pandemic. The above coupled with the other adjustments made to give effect for the resolution plan as morefully explained in the Emphasis of Matters Section of this report has resulted in recognition of capital reserve Rs. 1,84,169.63 Lakhs.

The group's management confirms that the impairment assessment is made internally with the presently available data and will review/ reassess the present estimate on lifting of the lockdown and on resumption of business at normal levels and further adjustments, if any required, will be made on completion of a comprehensive impairment testing.

In the absence of completion of such comprehensive impairment testing, we are unable to comment on the impact, if any, on the financial results, the carrying amounts of the aforesaid account balances and on the appropriateness of recognising capital reserve as aforesaid as per applicable financial reporting framework.

The possible impact, if any, arising out of the above matters is not presently ascertainable.

b) Further, due to the extension of lockdown till June 30, 2020 across India to contain the spread of the Covid'19 virus, sufficient, appropriate audit evidence relating to physical verification of fixed assets/ related reconciliation with the books of account, direct confirmation for certain bank balances could not be obtained. Accordingly, we are unable to comment on the possible impact, if any, arising out of the above matters.

c) The Consolidated Financial Statements for the year ended March 31, 2020 include the financial statements for the year ended March 31, 2020, of the following subsidiary companies:

- Orchid Europe Limited, UK
- Orchid Pharmaceuticals Inc., USA

- Bexel Pharmaceuticals Inc., USA
- Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa
- Diakron Pharmaceuticals, Inc. USA

We did not audit the standalone financial statements of the above subsidiaries that reflect total assets of Rs. 991.39 lakhs and net assets of (-) Rs.3,184.05 lakhs as at March 31, 2020, total revenue of Rs. 259.25 lakhs, total comprehensive Income (comprising of loss and other comprehensive income) of Rs. 1,876.58 lakhs and net cash flows amounting to Rs. 37.50 lakhs for the year ended on that date, as considered in the Consolidated Financial Statements.

The standalone financial statements of the subsidiaries are unaudited and have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries, is based solely on such unaudited financial statements. Accordingly, we do not express any opinion on the completeness and true and fair view of the financial statements, including adjustments, if any, required on the carrying amount of assets and liabilities of the above subsidiaries as at March 31, 2020 included in the Consolidated Financial Statements. This is a matter of qualification in our earlier years' audit reports also.

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

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

Key audit matters

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

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

Accounting treatment arising from implementation of resolution plan approved by the Hon'ble National Company LawTribunal ("Hon'ble NCLT")

As morefully explained in Note 48 to the Consolidated Financial Statements, M/s Dhanuka Laboratories Limited, the successful resolution applicant has infused the required investments as per the approved Resolution Plan ("the Said Plan") and the Group has accounted for the transactions relating to the above as directed by the Hon'ble NCLT.

Principal Audit Procedures

- We assessed the Group's process to identify, assess and respond to risks of material misstatement considering the complexity of the terms and conditions of the Said Plan and the impact of the accounting treatment on the Group's operations and Consolidated Financial Statements for the year under consideration.

- As part of the evaluation of whether sufficient appropriate audit evidence has been obtained, we have evaluated the appropriateness of our initial risk assessments and revised previous risk assessments in for certain financial statement areas like claims and final settlement of financial and operating creditors, carrying amount of property, plant and equipment, capital work in progress, intangible assets comprising of ANDA/ DMF and intangibles under development, including related disclosure requirements under the Act and respective Indian Accounting Standards.

- We have considered the impact on the processes and controls that may be affected by necessary changes to business processes in light of circumstances such as travel restrictions, result of remote working arrangements, non-availability of complete audit trail/ data and external valuation reports etc.

- We have reviewed the terms and conditions stipulated by the Hon'ble NCLT in the Said Plan.

- We have designed, performed new procedures and modified previously planned audit procedures as a result of the necessity for carrying out the audit procedures remotely, including verification of the source and completeness of data provided for audit. This includes performing alternative audit procedures to obtain audit comfort in respect of significant account balances for recognition, measurement and disclosures.

- We have audited the management's estimates required in the Consolidated Financial Statements, including but not limited to estimates related to expected credit loss, inventory obsolescence, impairment analyses by checking the reasonableness of underlying assumptions in making those key estimates. We specifically discussed the non-availability of external valuations/ impairment study with the management and critically challenged the key assumptions and their reasonableness in making such key accounting estimates as per the Said Plan.

- We have considered the basis of management judgment in determining impact on the Consolidated Financial Statements of subsequent events related to the implementation of the Said Plan (in light of the COVID-19 related restrictions) taking into consideration the date of the Consolidated Financial Statements, the facts and circumstances pertaining to the entity, and the conditions that existed at, or arose after, that date. As the impacts of the COVID-19 outbreak continue to evolve, including regulatory restrictions/ conditions, capturing events that relate specifically to conditions that existed at the date of the Consolidated Financial Statements, or after the date of the Consolidated Financial Statements, we have considered all subsequent events and transactions to substantiate our conclusions on the appropriateness of management's estimate in making the adjustments as per the Said Plan.

- We have considered management's adjustments or disclosures which includes the impact of the changes in the environment on the recognition and measurement of account balances and transactions in the Consolidated Financial Statements or other specific disclosures as per the Said Plan.

Emphasis of Matters

We draw attention to

a) Note 1 and "Basis of preparation and presentation" section of Note 2 to the Consolidated Financial Statements, which describe the admission of Corporate Insolvency Resolution Process ("CIRP") application filed by an operational creditor of Orchid Pharma Limited ("the Holding Company") by an order of the Hon'ble National Company Law Tribunal ("NCLT"), Chennai Bench with effect from October 27, 2017. The Resolution Plan filed by the Resolution Professional ("RP") has been finally approved by the Hon'ble NCLT vide its order dated February 28, 2020, based on the order of the Hon'ble Supreme Court of India rejecting the order passed by the Hon'ble National Company Law Appellate Tribunal.

M/s Dhanuka Laboratories Limited, the successful resolution applicant has infused the required investments as per the approved Resolution Plan and these financial results have been prepared after giving effect to the said Resolution Plan and based on the confirmation of the settlement of financial and operating creditors as approved by the RP. Pursuant to the implementation of the Said Plan, the Holding Company became a subsidiary of Dhanuka Laboratories Limited. We were informed that the financial creditors have issued digitally signed no due certificates as at March 31, 2020 and the satisfaction of charges will be filed with the Registrar of Companies on completion of allotment of equity shares to the financial creditors as per the Said Plan.

In view of the implementation of the Said Plan, the Consolidated Financial Statements have been prepared and presented by the Group on a going concern basis.

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

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

Other Matters

Further to the continuous spreading of COVID -19 across India, the Indian Government announced a strict 21-day lockdown on March 24, 2020, which was further extended till June 30, 2020 across the India to contain the spread of the virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the entire audit was carried out based on remote access of the data as provided the management.

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

We bring to the attention of the users that the audit of the Consolidated Financial Statements has been performed in the aforesaid conditions.

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

Information other than the financial statements and Auditors' report thereon

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

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Management's responsibility for the Consolidated Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective board of directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Group's management is also responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on other legal and regulatory requirements

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

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

(b) in our opinion, proper books of account as required by law have been kept by the Holding Company, its subsidiaries included in the Group incorporated in India, including relevant records relating to preparation of the aforesaid Consolidated Financial Statements so far as it appears from our examination of those books and records of the Holding Company and the unaudited results of the subsidiary companies prepared by the management;

(c) the consolidated balance sheet, consolidated statement of profit and loss (including consolidated other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flow dealt with by this report are in agreement with the relevant books of account maintained by the Holding Company and its subsidiaries included in the Group incorporated in India, including relevant records relating to the preparation of the Consolidated Financial Statements;

(d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act;

(e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure "A". Our report expresses a modified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting; and

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

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

a. The Group has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements – Refer Note 39 to the Consolidated Financial Statements;

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

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

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

(**CHINNSAMY GANESAN**)
Partner
Membership No. 027501
UDIN: 20027501AAAABH5999

Place: Chennai
Date: June 29, 2020

Annexure "A" to the Independent Auditors' Report
on the Consolidated Financial Statements
(Referred to in paragraph 1 (f) under 'Report on other Legal and Regulatory Requirements' section of our report to the Members of Orchid Pharma Limited of even date)

Report on the Internal financial controls over financial reporting under clause (i) of sub - section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Orchid Pharma Limited ("the Holding Company") as at March 31, 2020, in conjunction with our audit of the Consolidated Financial Statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent limitations of Internal Financial Controls over Financial Reporting

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

Basis of qualified opinion

We observed significant deficiencies in the internal financial controls relating to maintenance of sufficient, appropriate audit trail/ documentation in respect of (a) physical verification of fixed assets; and (b) related reconciliation with the books of account.

Qualified Opinion

In our opinion and according to the information and explanations given to us, the Group has to further strengthen in all material respects, the internal financial control system over financial reporting to make such internal financial controls over financial reporting to operate effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. This has been a matter of qualification in our earlier years' audit reports also.

Other matters

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

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

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

(CHINNSAMY GANESAN)
Partner
Membership No. 027501
UDIN: 20027501AAAABH5999
Place: Chennai
Date: June 29, 2020

Consolidated Balance Sheet as at March 31, 2020

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

₹ in Lakhs

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,02,079.11	1,14,059.67
Intangible assets	4	1,809.37	11,566.51
Capital work in progress	5	7,798.11	26,384.64
Intangible Assets under Development	6	1,054.07	1,431.00
Financial assets			
Investments	7	33.82	47.21
Other financial assets	8	140.76	1,694.32
Other non-current assets	9	528.77	75,774.09
Total non-current assets		**1,13,444.01**	**2,30,957.44**
Current assets			
Inventories	10	15,570.93	16,977.21
Financial assets			
Trade receivables	11	6,796.94	11,989.09
Cash and cash equivalents	12	8,989.15	9,231.09
Bank balances other than above	13	8,602.85	23,320.79
Other financial assets	14	11.75	311.15
Current tax assets (net)	15	5,938.27	6,980.40
Other current assets	16	12,811.68	7,936.33
Total current assets		**58,721.57**	**76,746.06**
Total Assets		**1,72,165.58**	**3,07,703.50**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	4,081.64	8,896.43
Other equity	18	98,354.09	(79,300.18)
Total equity		**1,02,435.73**	**(70,403.75)**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19	50,147.07	1,42,460.71
Provisions	20	1,178.54	769.64
Deferred Tax Liability	21	322.62	322.62
Total non-current liabilities		**51,648.23**	**1,43,552.97**

Consolidated Balance Sheet as at March 31, 2020

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

₹ in Lakhs

	Notes	As at March 31, 2020	As at March 31, 2019
Current liabilities			
Financial liabilities			
Borrowings	22	-	69,549.00
Trade payables	23	10,343.51	30,244.69
Short term provisions	24	324.91	363.24
Other current liabilities	25	7,413.20	1,34,397.35
Total current liabilities		**18,081.62**	**2,34,554.28**
Total Liabilities		**69,729.85**	**3,78,107.25**
Total Equity and Liabilities		**1,72,165.58**	**3,07,703.50**

The accompanying notes form an integral part of the financial statements

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

Chinnsamy Ganesan
Partner
Membership No.027501
UDIN : 20027501AAAABH5999
Place: Chennai
Date: June 29,2020

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

Manish Dhanuka
Managing Director
DIN: 00238798
Place: New Delhi
Date: June 29,2020

Mridul Dhanuka
Whole Time Director
DIN: 00199441
Place: New Delhi
Date: June 29,2020

Sunil Gupta
Chief Financial Officer
Place : New Delhi
Date : June 29, 2020

Nikita K
Company Secretary
Place: Chennai
Date: June 29,2020

Statement of consolidated profit and loss for the year ended March 31, 2020

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

₹ in Lakhs

		Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Continuing Operations				
A	**Income**			
	Revenue from operations	26	50,804.04	59,998.05
	Other income	27	2,448.82	1,692.84
	Total income		**53,252.86**	**61,690.89**
B	**Expenses**			
	Cost of materials consumed	28	23,523.37	26,283.92
	Purchases of stock in trade	29	46.96	29.84
	Changes in inventories of finished goods and WIP	30	757.90	2,656.07
	Employee benefits expense	31	8,474.76	8,227.83
	Finance costs	32	415.85	29.96
	Depreciation and amortisation expense	33	12,592.11	12,994.34
	Other expenses	34	20,548.92	24,620.95
	Total expenses		**66,359.87**	**74,842.91**
C	**Loss before exceptional items and tax**		**(13,107.01)**	**(13,152.02)**
	Exceptional items	35	-	20,092.81
D	**Loss before tax from continuing operations**		**(13,107.01)**	**6,940.79**
	Income tax expense			
	Current tax	36	-	-
	Deferred tax charge/ (credit)		-	-
	Loss for the year		**(13,107.01)**	**6,940.79**

Statement of consolidated profit and loss for the year ended March 31, 2020

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

₹ in Lakhs

		Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
E	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Remeasurement of post employment benefit obligations		(188.84)	90.42
	Gain/ (Loss) on fair valuation of investments		(13.39)	(0.03)
	Other comprehensive income for the year, net of tax		**(202.23)**	**90.39**
Total comprehensive loss for the year			**(13,309.24)**	**7,031.18**
Earnings per share		37		
Basic earnings per share			(14.75)	7.80
Diluted earnings per share			(14.75)	7.80

The accompanying notes form an integral part of the financial statements

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

Chinnsamy Ganesan
Partner
Membership No.027501
UDIN : 20027501AAAABH5999
Place: Chennai
Date: June 29,2020

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

Manish Dhanuka
Managing Director
DIN: 00238798
Place: New Delhi
Date: June 29,2020

Mridul Dhanuka
Whole Time Director
DIN: 00199441
Place: New Delhi
Date: June 29,2020

Sunil Gupta
Chief Financial Officer
Place : New Delhi
Date : June 29, 2020

Nikita K
Company Secretary
Place: Chennai
Date: June 29,2020

Statement of consolidated cash flows for the year ended March 31, 2020

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

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash Flow From Operating Activities		
Profit/ loss before income tax	(13,107.01)	6,940.79
Adjustments for		
Depreciation and amortisation expense	12,592.11	12,994.34
(Profit)/ loss on sale of fixed assets	(8.82)	(0.34)
Interest income	(2,417.51)	(1,508.54)
Unrealised forex (gain)/ loss (net, including exchange rate difference on translation of foreign operations)	3,108.55	8,973.90
Reversal of finance cost provision post CIRP period	-	(15,865.47)
Provision for diminution in value of investments	-	60.00
Allowance for expected credit loss	266.49	930.17
Finance costs, (including grouped under exceptional items)	415.85	149.48
	849.66	12,674.33
Change in operating assets and liabilities		
(Increase)/ decrease in Other financial assets	829.15	222.65
(Increase)/ decrease in inventories	1,406.28	2,396.61
(Increase)/ decrease in trade receivables	4,401.10	(914.98)
(Increase)/ decrease in Other assets	(688.52)	(7,693.43)
Increase/ (decrease) in provisions and other liabilities	(528.69)	712.51
Increase/ (decrease) in trade payables	769.19	(5,767.65)
Cash generated from operations	7,038.17	1,630.04
Less : Income taxes paid (net of refunds)	1,042.13	(427.60)
Net cash from operating activities (A)	**8,080.30**	**1,202.44**
Cash Flows From Investing Activities		
Purchase of PPE (including changes in CWIP)	(424.24)	(662.66)
(Purchase)/ disposal proceeds of Investments	-	(0.17)
(Investments in)/ Maturity of fixed deposits with banks	14,717.94	3,723.16
Interest received	2,417.51	1,486.98
Net cash used in investing activities (B)	**16,711.21**	**4,547.31**

Statement of consolidated cash flows for the year ended March 31, 2020

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

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash Flows From Financing Activities		
Proceeds from issue of equity share capital	4,000.00	-
Proceeds from Borrowings	75,409.40	-
Repayment of Borrowings on implementation of Resolution Plan	(1,04,410.32)	-
Finance costs	(32.53)	(29.96)
Net cash from/ (used in) financing activities (C)	**(25,033.45)**	**(29.96)**
Net increase/decrease in cash and cash equivalents (A+B+C)	**(241.94)**	**5,719.79**
Cash and cash equivalents at the beginning of the financial year	9,231.09	3,511.30
Cash and cash equivalents at end of the year	**8,989.15**	**9,231.09**
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	8,987.59	9,230.59
- in fixed deposit with original maturity of less than 3 months	-	-
Cash on hand	1.56	0.50
	8,989.15	9,231.09

The accompanying notes form an integral part of the financial statements

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

Chinnsamy Ganesan
Partner
Membership No.027501
UDIN : 20027501AAAABH5999
Place: Chennai
Date: June 29,2020

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

Manish Dhanuka
Managing Director
DIN: 00238798
Place: New Delhi
Date: June 29,2020

Mridul Dhanuka
Whole Time Director
DIN: 00199441
Place: New Delhi
Date: June 29,2020

Sunil Gupta
Chief Financial Officer
Place : New Delhi
Date : June 29, 2020

Nikita K
Company Secretary
Place: Chennai
Date: June 29,2020

Statement of Consolidated Changes in Equity for the year ended March 31, 2020

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

(A) Equity Share Capital

Balance at the beginning of April 1, 2018	**8,896.43**
Changes in equity share capital during the year	-
Balance at the end of March 31, 2019	**8,896.43**
Changes in equity share capital during the year	(4,814.79)
Balance at the end of March 31, 2020	**4,081.64**

(B) Other Equity (attributable to the owners of Orchid Pharma Limited)

₹ in Lakhs

Particulars	Capital Reserve	Capital Reserve on Amalgamation	Securities Premium Reserve	Equity component of Optionally convertible debentures	General Reserve	Foreign Currency Monetary Item Translation Difference Account	Foreign Currency Fluctuation Reserve	Other Comprehensive Income	Profit and Loss Account	Total
Balance as at April 1, 2018	894.68	9,004.21	46,447.86	-	55,851.90	(3,167.28)	(3,089.72)	1.20	(1,94,015.27)	(88,072.42)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	90.39	6,940.79	7,031.18
Additions/ (deductions) during the year	-	-	-	-	-	1,929.14	(188.08)	(90.42)	90.42	1,741.06
Balance as at March 31,2019	**894.68**	**9,004.21**	**46,447.86**	**-**	**55,851.90**	**(1,238.14)**	**(3,277.80)**	**1.17**	**(1,86,984.06)**	**(79,300.18)**
Total Comprehensive Income for the year	-	-	-	-	-	-	-	(202.23)	(13,107.01)	(13,309.24)
Reduction of Share Capital	-	-	-	-	-	-	-	-	8,855.62	8,855.62
Additions/ (deductions) during the year	30,048.26	1,54,121.37	-	6,856.06	-	1,238.14	(10,155.94)	188.84	(188.84)	1,82,107.89
Balance as at March 31, 2020	**30,942.94**	**1,63,125.58**	**46,447.86**	**6,856.06**	**55,851.90**	**-**	**(13,433.74)**	**(12.22)**	**(1,91,424.29)**	**98,354.09**

The accompanying notes form an integral part of the financial statements

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

Chinnsamy Ganesan
Partner
Membership No.027501
UDIN : 20027501AAAABH5999
Place: Chennai
Date: June 29,2020

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

Manish Dhanuka
Managing Director
DIN: 00238798
Place: New Delhi
Date: June 29,2020

Mridul Dhanuka
Whole Time Director
DIN: 00199441
Place: New Delhi
Date: June 29,2020

Sunil Gupta
Chief Financial Officer
Place : New Delhi
Date : June 29, 2020

Nikita K
Company Secretary
Place: Chennai
Date: June 29,2020

Notes to Consolidated Financial Statements for the year ended March 31, 2020

1 Corporate Information

The Consolidated Financial Statements comprise financial statements of "Orchid Pharma Limited" ("the Holding Company") and its subsidiaries (collectively referred to as "the Group") for the year ended March 31, 2020.

Orchid Pharma Limited was incorporated in India in July 1992 and started commercial production in February 1994. The Company manufactures Active Pharmaceuticals Ingredients as 100% export oriented unit, and manufactures and sells finished dosage forms (formulations) in domestic and export markets. The company also has full-fledged R&D facilities. The Company has invested in the following companies :The Company, its Subsidiaries and its Associate are collectively referred as "the Group".

a) Orchid Europe Limited UK, a company formed in the United Kingdom initially to market nutraceuticals through mail order/ direct marketing in the United Kingdom and Europe.

b) 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.

c) Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa to register and market formulations in South Africa.

d) Bexel Pharmaceuticals Inc., USA engaged in Pharmaceutical research and development.

e) Diakron Pharmaceuticals Inc., USA engaged in Pharmaceutical research and development.

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

DLL infused the funds as per the terms of the resolution plan through a special purpose vehicle, Dhanuka Pharmaceuticals Private Limited. The special purpose vehicle was later on merged with the Company as per the terms of the approved resolution plan. Thus, the Company became a subsidiary of DLL.

2 Basis of preparation of financial statements

Statement of compliance

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

Basis of preparation and presentation

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

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

Principles of Consolidation

a) The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.

c) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve (FCTR).

d) Goodwill represents the difference between the Company's share in the net worth of subsidiaries and the cost of acquisition at each point of time of making the investment in the subsidiaries.

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, 2020 to March 31, 2020 in respect of subsidiaries/ having financial year ended December 31, 2019.

g) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

h) The carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary.

Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Group has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The Company continues to evaluate them as highly probable considering the orders in hand. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of the financial results. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals).

The financial statements are approved for issue by the Company's Board of Directors on June 29, 2020.

2A Critical accounting estimates and management judgments

In application of the accounting policies, which are described in note 3, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Property, Plant and Equipment (PPE) and Intangible Assets

The residual values and estimated useful life of PPEs and Intangible Assets are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/ amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred Tax Assets

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

Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment of Trade Receivables

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

Impairment of Non-financial assets (PPE/ Intangible Assets)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined Benefit Plans and Other long term employee benefits

The cost of the defined benefit plan and other long term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

2B Recent accounting pronouncements

Standards issued but not yet effective

The amendments are proposed to be effective for reporting periods beginning on or after 1 April 2020

a) Issue of Ind AS 117 – Insurance Contracts

Ind AS 117 supersedes Ind AS 104 Insurance contracts. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. Under the Ind AS 117 model, insurance contract liabilities will be calculated as the present value of future insurance cash flows with a provision for risk.

The Group has evaluated the requirements of the above standards and considered that it is not applicable to the Group and the effect on the financial statements is considered to be nil.

b) Amendments to existing Standards

Ministry of corporate affairs has carried out amendments of the following accounting standards:

1. Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors

2. Ind AS 40 – Investment Property

3. Ind AS 103 – Business Combination

The Group has evaluated the requirements of the above standards/ its applicability to the Group and the effect on the financial statements is not considered to be significant.

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 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 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.

DMF and ANDA costs represent expenses incurred on development of processes and compliance with regulatory procedures of the US FDA, in filing Drug Master Files("DMF") and Abbreviated New Drug Applications("ANDA"), in respect of products for which commercial value has been established by virtue of third party agreements/ arrangements.

Useful life and amortisation of intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The cost of each DMF/ ANDA (self generated intangible assets) is amortised to the extent of recovery of developmental costs applicable as per terms of the agreement or over a period of 5 years from the date on which the product covered by DMF/ ANDA is commercially marketed, which ever is earlier.

Subsequent cost and measurement

Subsequent costs are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally-generated intangibles, are recognised in the statement of profit and loss as incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

g) Inventories

Inventories are carried at the lower of cost or net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition, cost being determined based on weighted average method.

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

(ii) **Work-in-progress and intermediates:** At cost or net realisable value whichever is lower, after adjustment of unrealised profits on inter division transfer

(iii) **Finished goods/ Traded goods:** At cost or net realisable value whichever is lower, after adjustment of unrealised profits on inter division transfer

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 any option exercised at the time of initial recognition
FVTPL	Other investments in equity instruments

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement? and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

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

b) Financial assets that are debt instruments and are measured at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

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

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.

Notes to Consolidated Financial Statements for the year ended March 31, 2020

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 Recognition

Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

S.No	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
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.

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 the foreign currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the Consolidated Statement of Profit and Loss. However when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

j) Borrowing Costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Group determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Group which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Group capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

k) Government grants

Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.

In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other operating revenue" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets". Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets".

Government grants related to assets, including non-monetary grants at fair value, shall be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset.

l) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Group will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Group during the specified period. The Group reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Group will pay normal Income tax during the specified period.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

m) Retirement and other employee benefits

Short-term employee benefits

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Compensated absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Other long term employee benefits

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

n) Leases

Accounting policy applied till March 31, 2019

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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

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

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

Accounting policy applied from April 01, 2019

The Group has adopted Ind AS 116 "Leases" as notified by MCA as on March 30, 2019. The MCA via this notification requires all entities to apply Ind AS 116 from Accounting period April 01, 2019. The entity has elected the "modified retrospective" approach for adopting Ind AS 116 and hence the comparative information relating to prior years will not be restated.

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

a) Initial measurement

Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid. Right-of-use asset is recognized and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of restoration costs and any initial direct costs incurred by the lessee.

b) Subsequent measurement

The lease liability is measured in subsequent periods using the effective interest rate method. Right-of-use asset is depreciated in accordance with requirements in Ind AS 116, 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) 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, 2020

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

4 Property, plant and equipment

Particulars	Tangible Assets										Intangible Assets				
	Freehold Land & Site Development	Leasehold Land	Buildings	Plant and Machinery	Furniture and Fittings	Vehicles	Office Equipment	Factory Equipment	Laboratory Equipment	Total	Goodwill	Patents Registrations	Internally generated DMF and ANDA	Computer Software	Total
Cost as at April 1, 2018	**2,608.52**	**52.83**	**16,737.53**	**1,18,212.50**	**267.00**	**13.20**	**3.45**	**438.60**	**1,530.41**	**1,39,828.32**	**9,482.32**	**-**	**2,544.28**	**60.91**	**12,087.51**
Additions	-	-	-	0.20	0.40	-	-	-	-	0.60	-	-	-		-
Disposals	-	-	-	-	(0.08)	-	(0.03)	-	-	(0.11)	-	-	-	(0.23)	(0.23)
Cost as at March 31, 2019	**2,608.52**	**52.83**	**16,737.53**	**1,18,212.70**	**267.32**	**13.20**	**3.42**	**438.60**	**1,530.41**	**1,39,828.81**	**9,482.32**	**-**	**2,544.28**	**60.68**	**12,087.28**
Additions	-	-	44.75	273.04	-	-	-	4.39	12.66	334.84		-	-	3.31	3.31
As at March 31, 2020	**2,608.52**	**52.83**	**16,782.28**	**1,18,485.74**	**267.27**	**11.85**	**3.42**	**442.99**	**1,543.07**	**1,40,162.25**	**-**	**-**	**2,544.28**	**63.97**	**2,608.25**
Depreciation/Amortisation															
As at April 1, 2018	**-**	**0.61**	**751.91**	**11,775.82**	**74.31**	**2.91**	**0.12**	**10.30**	**416.26**	**12,996.52**	**-**	**-**	**291.14**	**7.91**	**299.05**
Charge for the year	-		789.38	11,609.43	38.13	0.78	1.01	38.5	295.39	12,772.62	-	-	218.35	3.37	221.72
Disposals	-									-	-	-	-		-
As at March 31, 2019	**-**	**0.61**	**1,541.29**	**23,385.25**	**112.44**	**3.69**	**1.13**	**48.80**	**711.65**	**25,769.14**	**-**	**-**	**509.49**	**11.28**	**520.77**
Charge for the year	-	-	791.82	11,306.63	29.91	-	0.52	39.83	145.29	12,314.00	-	-	275.37	2.74	278.11
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	**-**	**0.61**	**2,333.11**	**34,691.88**	**142.35**	**3.69**	**1.65**	**88.63**	**856.94**	**38,083.14**	**-**	**-**	**784.86**	**14.02**	**798.88**
Net Block															
As at March 31, 2019	2,608.52	52.22	15,196.24	94,827.45	154.88	9.51	2.29	389.80	818.76	1,14,059.67	9,482.32	-	2,034.79	49.40	11,566.51
As at March 31, 2020	**2,608.52**	**52.22**	**14,449.17**	**83,793.86**	**124.92**	**8.16**	**1.77**	**354.36**	**686.13**	**1,02,079.11**	**-**	**-**	**1,759.42**	**49.95**	**1,809.37**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

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

₹ in Lakhs

		As at March 31, 2020	As at March 31, 2019
5	**Capital Work-in-progress**		
	PPE under development	7,798.11	26,384.64
		7,798.11	**26,384.64**
6	**Intangible Assets under Development**		
	Intangible Assets under Development	1,054.07	1,431.00
		1,054.07	**1,431.00**
7	**Non-current investments**		
	Investments in companies other than subsidiaries, associates and joint ventures at FVTPL		
	i. Investments in Equity Instruments (Quoted)		
	18,600 equity shares (previous year 18,600) of Rs.10 each in Bank of India Limited, fully paid up	6.00	19.39
	ii. Investments in Equity Instruments (Unquoted)		
	6,00,000 equity shares (previous 6,00,000) of Rs. 10 each in Sai Regency Power Corporation Private Limited, fully paid up	60.00	60.00
	9,11,430 equity shares (previous year 9,11,430) of Rs. 10 each in Madras Stock Exchange-Non Traded, fully paid up	23.99	23.99
	31,936 equity shares (previous year 31,936) of Rs.10 each in MSE Financial services Limited fully paid up	3.83	3.83
		93.82	107.21
	Less: Provision for diminution in value of investments	(60.00)	(60.00)
		33.82	**47.21**
	Total non-current investments		
	Aggregate value of quoted investments	6.00	19.39
	Aggregate market value of quoted investments	6.00	19.39
	Aggregate value of unquoted investments	87.82	87.82
	Aggregate amount of impairment in value of investments	(60.00)	(60.00)

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

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

₹ in Lakhs

		As at March 31, 2020	As at March 31, 2019
8	**Other non-current financial assets**		
	(Unsecured, considered good)		
	Prepaid Financial Charges	-	961.65
	Deposits with Government Authorities	134.46	414.65
	Other Deposits	6.30	318.02
	(Unsecured, considered doubtful)		
	Others	202.66	202.66
	Less : Provision for expected credit loss	(202.66)	(202.66)
		140.76	**1,694.32**
9	**Other non-current assets**		
	(Secured, considered good)		
	Ear-marked balance transferred from Other Bank balances	-	22.74
	(Unsecured, considered good)		
	Capital Advances	-	52,206.06
	Advances to suppliers	528.77	23,545.29
		528.77	**75,774.09**
10	**Inventories**		
	Raw materials	4,650.37	4,816.88
	Intermediates & Work-in-progress	4,241.94	5,024.60
	Finished goods	4,409.37	4,317.06
	Traded goods	91.37	158.92
	Stores and spare parts	1,591.74	1,668.88
	Chemicals and consumables	249.42	311.45
	Packing materials	336.72	679.42
		15,570.93	**16,977.21**
11	**Trade receivables**		
	Trade Receivables considered good - Secured	207.80	-
	Trade Receivables considered good - Unsecured	6,589.14	11,989.09
	Trade Receivables which have significant risk increase in credit risk	-	-
	Trade Receivables credit impaired	6,956.77	4,086.85
		13,753.71	16,075.94
	Less: Allowance for expected credit loss	(6,956.77)	(4,086.85)
		6,796.94	**11,989.09**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

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

₹ in Lakhs

		As at March 31, 2020	As at March 31, 2019
12	**Cash and cash equivalents**		
	Cash on hand	1.56	0.50
	Balances with banks		
	In current accounts	8,987.59	9,230.59
		8,989.15	**9,231.09**
13	**Other Bank Balances**		
	In Fixed Deposits with banks (maturing within 12 months from the reporting date)		
	In Term Deposits	1.22	23,320.79
	In earmarked accounts		
	Escrow Accounts	8,601.63	-
	Unpaid Dividend Account	22.74	22.74
	Less : Ear-marked balance transferred to non - current assets	(22.74)	(22.74)
		8,602.85	**23,320.79**
14	**Other current financial assets**		
	Financial assets - unsecured, considered good		
	Interest accrued	0.88	237.32
	Rent Advances	10.87	28.53
	Prepaid finance charges	-	45.30
	Financial assets which have significant risk increase in credit risk	-	-
	Financial assets credit impaired	-	-
		11.75	**311.15**
15	**Current tax assets**		
	Advance income tax (net of provision for tax)	5,938.27	6,980.40
		5,938.27	**6,980.40**
16	**Other current assets**		
	(Unsecured, considered good)		
	Advance recoverable in cash or in kind or for value to be received		
	Advance to suppliers	3,274.90	-
	Prepaid expenses	1,257.42	918.23

₹ in Lakhs

		As at March 31, 2020	As at March 31, 2019
	MEIS license scripts entitlement	898.60	-
	Balances with Statutory Authorities	7,374.78	6,997.08
	Other deposits	2.42	5.54
	Employees Advances	3.56	15.48
		12,811.68	7,936.33
	(Unsecured, considered doubtful)		
	Advances to Suppliers	15,333.30	15,333.30
	Less : Allowance for expected credit loss	(15,333.30)	(15,333.30)
		12,811.68	**7,936.33**
17	**Capital**		
	Authorised Share Capital		
	15,00,10,000 Equity shares (previous year 15,00,00,000) of Rs. 10 each	15,001.00	15,000.00
		15,001.00	**15,000.00**
	Issued Share Capital		
	4,08,16,400 Equity shares (previous year 8,89,64,327) of Rs. 10 each	4,081.64	8,896.43
		4,081.64	**8,896.43**
	Subscribed and fully paid up share capital		
	4,08,16,400 Equity shares (previous year 8,89,64,327) of Rs. 10 each	4,081.64	8,896.43
		4,081.64	**8,896.43**

Notes:

(a) **Reconciliation of number of equity shares subscribed**

Balance as at the beginning of the year	8,89,64,327	8,89,64,327
Add: Issued during the year	4,04,08,236	-
Less : Capital Reduction as per Resolution Plan	(8,85,56,163)	-
Balance at the end of the year	**4,08,16,400**	**8,89,64,327**

There was a capital reduction effected during the year in addition to issue of fresh shares to the Resolution applicant and Secured Financial Creditors as per the approved Resolution Plan. The approval for these Corporate Actions from stock exchanges, where the shares are listed, are awaited.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

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

₹ in Lakhs

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

Name of the share holders	March 30, 2020		March 31, 2019	
	No of shares	%	No of shares	%
Dhanuka Laboratories Limited	4,00,00,072	98.00	-	-
Orchid Healthcare Private Limited	-	-	1,94,09,575	21.82

As per Rule 19A(5) of Securities Contract (Regulation) Rules 1957, a listed company which was taken over by another company in a resolution plan is permitted to have more than 75% held by the promotors group subject to the conditions that the public holding to be brought up to 10% with in a period of 18 months and the promoter group's holding to be brought down to a maximum of 75% within a period of 3 years. The Company is in the process of making necessary plans to comply with the requirement within the stipulated time

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

The company has only one class of equity shares having a par value of Rs.10 each. The equity shares of the company having par value of Rs.10/- rank pari-passu in all respects including voting rights and entitlement to dividend. The dividend proposed if any, by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year, the Company proposed a dividend of Rs. Nil per equity share held (Previous year Rs. Nil per equity share held)

		As at March 31, 2020	As at March 31, 2019
18	**Other Equity**		
	Capital Reserve	30,942.94	894.68
	Capital Reserve on Amalgamation	1,63,125.58	9,004.21
	Securities Premium Reserve	46,447.86	46,447.86
	Equity component of Optionally convertible debentures	6,856.06	-
	General Reserve	55,851.90	55,851.90
	Foreign Currency Monetary Item Translation Difference Account	-	(1,238.14)
	Foreign Currency Fluctuation Reserve	(13,433.74)	(3,277.80)
	Other Comprehensive Income	(12.22)	1.17
	Profit and Loss Account	(1,91,424.29)	(1,86,984.06)
		98,354.09	**(79,300.18)**
	a) Capital reserve		
	Balance at the beginning of the year	894.68	894.68
	Additions during the year (Refer note 48)	30,048.26	-
	Balance at the beginning and end of the year	**30,942.94**	**894.68**
	b) Capital Reserve on Amalgamation		
	Balance at the beginning of the year	9,004.21	9,004.21
	Additions during the year on implementation of Resolution Plan (Refer Note 48)	2,44,321.24	-
	Appropriations on implementation of Resolution Plan (Refer note 48)	(90,199.87)	-
	Balance at the beginning and end of the year	**1,63,125.58**	**9,004.21**

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
c) Securities Premium Reserve		
Balance at the beginning and end of the year	**46,447.86**	**46,447.86**
d) Equity component of Optionally convertible debentures *		
Balance at the beginning of the year	-	-
Additions during the year on implementation of Resolution Plan	6,856.06	-
Balance at the beginning and end of the year	**6,856.06**	**-**
* Refer Note 42 for conversion terms		
e) General Reserve		
Balance at the beginning and end of the year	**55,851.90**	**55,851.90**
f) Foreign Currency Monetary Item Translation Difference Account		
Balance at the beginning of the year	(1,238.14)	(3,167.28)
Additions during the year	1,238.14	1,929.14
Balance at the end of the year	**-**	**(1,238.14)**
g) Foreign Currency Fluctuation Reserve		
Balance at the beginning of the year	(3,277.80)	(3,089.72)
Additions/ (deductions) during the year	(10,155.94)	(188.08)
Balance at the end of the year	**(13,433.74)**	**(3,277.80)**
h) Other Comprehensive Income		
Balance at the beginning of the year	1.17	1.20
Additions during the year	(202.23)	90.39
Deductions/Adjustments during the year	188.84	(90.42)
Balance at the end of the year	**(12.22)**	**1.17**
i) Profit and Loss Account		
Balance at the beginning of the year	(1,86,984.06)	(1,94,015.27)
Net profit for the period	(13,107.01)	6,940.79
Transfer from Other Comprehensive Income	(188.84)	90.42
Reduction of Share Capital (Refer Note 17)	8,855.62	-
Balance at the end of the year	**(1,91,424.29)**	**(1,86,984.06)**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

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

₹ in Lakhs

		As at March 31, 2020	As at March 31, 2019
19	**Long Term Borrowings**		
	Secured *		
	From Banks		
	Rupee Term Loans	48,942.24	2,14,775.76
	Foreign Currency Term Loans	-	56,044.14
	Unsecured		
	Optionally Convertible Debentures	7,447.07	-
	Less: Current maturities of Long Term Debt (refer note 25)	(6,242.24)	(1,28,359.19)
		50,147.07	**1,42,460.71**
	* Refer Note 42 for repayment terms and security details and Note 48 on implementation of resolution plan		
20	**Provisions (Non-current)**		
	Provision for Employee Benefits		
	Compensated absences	412.92	325.83
	Gratuity	765.62	443.81
		1,178.54	**769.64**
21	**Deferred Tax Asset / (Liability) - Net**		
	Deferred Tax Liability		
	On Property, plant and equipment	19,749.52	24,031.60
	On others	322.62	322.62
		20,072.14	24,354.22
	Deferred Tax Asset		
	On unabsorbed tax depreciation *	19,749.52	24,031.60
		19,749.52	24,031.60
	Net deferred tax asset / (liability)	**(322.62)**	**(322.62)**
	* In view of carry forward losses under the Income Tax Act, 1961, the Group scaled down the recognition of deferred tax asset on unabsorbed depreciation to the extent of the deferred tax liability on property, plant and equipment		
22	**Current liabilities - Borrowings**		
	Secured		
	Working Capital Facilities / Borrowings	-	55,718.11
	Unsecured		
	Loans from Banks	-	8,114.12
	Loans from Others	-	2,500.00
	Loans from related parties	-	3,216.77
		-	**69,549.00**
	Also refer note 48 on implementation of resolution plan		

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

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

₹ in Lakhs

		As at March 31, 2020	As at March 31, 2019
23	**Trade payables**		
	Dues to Micro enterprises and Small enterprises	69.20	348.43
	Dues to Creditors other than Micro and Small enterprises	10,274.31	29,896.26
		10,343.51	**30,244.69**
24	**Provisions (Current)**		
	Provision for employee benefits		
	Gratuity	248.36	219.75
	Compensated absences	76.55	143.49
		324.91	**363.24**
25	**Other current liabilities**		
	Current maturities of Term Loans	6,242.24	1,10,985.93
	Interest accrued on borrowings (Refer Note 48)	-	21,552.65
	Unpaid dividends	-	22.74
	Statutory Liabilities	621.14	554.37
	Share Application money refundable	-	5.42
	Security Deposits received from Agents	-	193.00
	Advance and deposits from customers etc.,	549.82	1,083.24
		7,413.20	**1,34,397.35**
26	**Revenue from operations**		
	Sale of Products		
	Manufactured goods	48,854.36	55,165.29
	Traded goods	96.39	100.60
	Other Operating Revenues		
	Sale of Other Materials	1,783.17	4,571.35
	Others	70.12	160.81
		50,804.04	**59,998.05**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

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

₹ in Lakhs

		As at March 31, 2020	As at March 31, 2019
27	**Other income**		
	Interest income	2,417.51	1,508.54
	Profit on sale of assets	8.82	0.34
	Other non-operating income	22.49	183.96
		2,448.82	**1,692.84**
28	**Cost of materials consumed**		
	Opening inventory of raw materials	4,816.88	4,229.54
	Add : Purchases	23,356.86	26,871.26
	Less : Closing inventory of raw materials	(4,650.37)	(4,816.88)
		23,523.37	**26,283.92**
29	**Purchases of Stock in Trade**		
	Purchases of Stock in Trade	46.96	29.84
		46.96	**29.84**
30	**Changes in inventories of work-in-progress, stock in trade and finished goods**		
	Opening Balance		
	Intermediates & Work-in-progress	5,024.60	6,334.32
	Traded Goods	158.92	176.74
	Finished Goods	4,317.06	5,645.59
		9,500.58	**12,156.65**
	Closing Balance		
	Intermediates & Work-in-progress	4,241.94	5,024.60
	Traded Goods	91.37	158.92
	Finished Goods	4,409.37	4,317.06
		8,742.68	**9,500.58**
	Total changes in inventories	**(757.90)**	**(2,656.07)**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

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

₹ in Lakhs

		As at March 31, 2020	As at March 31, 2019
31	**Employee benefits expense**		
	Salaries and wages	7,055.68	6,615.14
	Contribution to provident and other funds	603.62	809.78
	Staff welfare expenses	815.46	802.91
		8,474.76	**8,227.83**
32	**Finance Cost**		
	Interest on Bank Borrowings	11.46	-
	Interest on Others	404.39	29.96
		415.85	**29.96**
33	**Depreciation and amortisation expense**		
	Depreciation on Property, Plant and Equipment	12,314.00	12,772.62
	Amortisation of Intangible Assets	278.11	221.72
		12,592.11	**12,994.34**
34	**Other expenses**		
	Power and Fuel	5,274.04	4,876.19
	Conversion Charges	1.16	34.04
	Consumption of Stores, Spares & Chemicals	2,387.22	2,146.68
	Rent	20.79	94.69
	Repairs to buildings	185.15	105.90
	Repairs to Machinery	216.30	165.20
	Factory maintenance	1,953.08	1,733.56
	Insurance	947.72	607.75
	Rates & Taxes	811.96	250.50
	Postage, Telephone & Telex	32.77	33.46
	Printing & Stationery	66.05	67.34
	Vehicle Maintenance	8.67	16.03
	Research & Development Expenses (Refer Note 38)	1,192.85	1,396.18
	Advertisement	1.58	37.48
	Recruitment expenses	8.29	12.88
	Payment to Auditors [Refer Note 34 (a)]	33.32	46.00
	Cost Audit fee	2.75	-
	Travelling and Conveyance	38.25	41.54
	Directors' Remuneration & perquisites	11.20	48.92
	Directors' travelling expenses		
	Inland	-	0.07

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

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

₹ in Lakhs

		As at March 31, 2020	As at March 31, 2019
	Overseas	-	-
	Freight outward	521.60	484.49
	Commission on Sales	340.56	446.97
	Business Promotion and Selling Expenses	56.68	65.40
	Lease Rentals	1,126.92	1,126.92
	Consultancy & Professional Fees	1,382.19	742.28
	Allowance for expected credit loss	266.49	930.17
	Foreign exchange loss (net)	1,763.55	6,750.43
	Provision for Diminution in value of Investments	-	60.00
	Bank charges	207.11	638.83
	Miscellaneous expenses	1,690.67	1,661.05
		20,548.92	**24,620.95**
34(a)	**Payment to Auditors**		
	For Statutory Audit	16.00	28.00
	For Limited Review	12.00	3.00
	For Certificates and other services	5.32	15.00
		33.32	**46.00**
35	**Exceptional items**		
	Reversal of interest in excess of claims admitted	-	15,792.57
	Exchange Rate Fluctuations (Gains)/ Reversals	-	4,300.24
		-	**20,092.81**
36	**Income tax expense**		
	(a) Income tax expense		
	Current tax		
	Current tax on profits for the year	-	-
	Total current tax expense	**-**	**-**
	Deferred tax		
	Deferred tax adjustments	-	-
	Total Deferred tax expense/(benefit)	**-**	**-**

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Income tax expense	**-**	**-**
b) The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit/(loss) before tax from Continuing operations	(13,107.01)	6,940.79
Income tax expense calculated	-	-
Effect of expenses that are not deductible in determining taxable profit	-	-
Income tax expense	**-**	**-**
c) Income tax recognised in other comprehensive income		
Deferred tax		
Remeasurement of defined benefit obligation	-	-
Total income tax recognised in other comprehensive income	-	-

d) Movement of deferred tax expense for the year ended March 31, 2020

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant, and equipment and Intangible Assets	(24,031.60)	4,282.08		(19,749.52)
Unabsorbed tax depreciation	24,031.60	(4,282.08)	-	19,749.52
Other temporary differences	(322.62)		-	(322.62)
	(322.62)	-	-	(322.62)

e) Movement of deferred tax expense during the year ended March 31, 2019

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	(9,414.23)	(14,617.37)	-	(24,031.60)
Unabsorbed tax depreciation	9,414.23	14,617.37	-	24,031.60
Other temporary differences	(322.62)		-	(322.62)
	(322.62)	-	-	(322.62)

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

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

₹ in Lakhs

		For the year ended March 31, 2020	For the year ended March 31, 2019
37	**Earnings per share**		
	Basic earnings per share (Rs)		
	Profit for the year attributable to owners of the Company	(13,107.01)	6,940.79
	Weighted average number of ordinary shares outstanding	8,88,32,775	8,89,64,327
	Basic earnings per share (Rs)	(14.75)	7.80
	Diluted earnings per share (Rs)	(14.75)	7.80
	Note : Since the effect of optionally convertible debentures are anti-dilutive, it is ignored and the Diluted Earnings Per Share is considered to be equal to the Basic Earnings Per Share.		

38 Expenditure on Research and Development

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue expenditure relating to Research and Development charged to the Statement of Profit and Loss (excluding depreciation) includes:		
Power and fuel	11.53	-
Consumption of stores, spared and chemicals	87.77	286.96
Salaries, wages and bonus	728.04	758.33
Contribution to Provident and other funds	60.79	64.85
Rates and taxes	-	0.38
Insurance	1.98	3.32
Postage, telephone and telex	0.03	0.09
Printing and stationery	1.57	1.83
Vehicle maintenance	1.75	0.76
Recruitment expenses	0.27	3.04
Travelling and conveyance	-	1.83
Filing and registration expenses	5.83	7.69
Testing charges	-	9.91
Consultancy and professional fees	261.29	236.75
Others	32.00	20.44
Total	**1192.85**	**1,396.18**

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

39 Commitments and contingent liabilities

₹ in Lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contingent Liability		
Claims against the company not acknowledged as debts (note below)		
- Income Tax dispute pending before High Court of Chennai	-	11,079.98
- Excise demands under dispute pending before Excise authorities	-	343.47
- Service Tax dispute pending before High Court of Chennai	-	935.62
- Sales Tax dispute pending before Sales Tax authorities	-	552.56
- Self Generation Tax under dispute with State Electricity Board	-	1,378.30
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	96.97	96.67

Note :

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.

40 Operating Segments

The operations of the Group falls under a single primary segment i.e., "Pharmaceuticals" in accordance with Ind AS 108 "Operating Segments" and hence no segment reporting is applicable.

Information relating to geographical areas

(a) Revenue from external customers

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
India	4,213.95	5,598.67
Rest of the world	44,736.80	49,667.22
	48,950.75	**55,265.89**

(b) Non current assets

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(c) Information about major customers		
Number of external customers each contributing more than 10% of total revenue	-	1
Total revenue from the above customers	-	13,879.30

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

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

41 Operating lease arrangements

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. Accordingly, the Group has applied the practical expedient given in Ind AS 116 in respect of the above leases

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Lease payments recognised in the Statement of Profit and Loss	1,126.92	1,126.92

42 Terms and conditions of borrowings

Long term borrowings - Term loans from banks

As per the terms of the Loan agreement, Interest for the Rupee Term loan is 1Y MCLR+1.80%; commission for the LC in case of import : 0.50%+GST and in case of inland : 3.60%+GST. These loans are Repayable in 20 equal quarterly installments after a moratorium period of one year from the date of disbursement (i.e. the quarter commencing on April 01, 2021). These facilities are secured by:

i) First charge on all immovable assets by way of mortgage of land/ leasehold rights and all the buildings present and future.

ii) First charge on all movable fixed assets by way of hypothecation, of all movable fixed assets including movable plant and machinery, spares, tools and accessories, furniture & fixtures, vehicles, etc. present and future

iii) First charge over

a) all the rights, titles, interest, benefits, claims & demand whatsoever of the Group and as amended, varied or supplemented from time to time

b) all the title, interest, benefits, claims and demands whatsoever of the Group in any letter of credit, guarantee, performance bond provided by any party to the Group present or future

c) First pari-passu charge on intangibles, goodwill, uncalled capital , present and future

iv) First charge by way of hypothecation over the entire current assets (both present & future)

v) Pledge of 50% of fully paid up equity shares of the Group held by the promoters to the lender through security trustee arrangement. In case of any restriction under Banking Regulation Act, promoter to pledge 30% of the fully paid up equity shares of the Group and provide Non Disposal Undertaking for the balance 20% with specific power of attorney authorizing Bank to sell those shares

vi) The term loans are additionally secured by personal guarantee given by one of the director of the Company Mr. Manish Dhanuka and one of the director of the holding company Mr. Mahendra Kumar Dhanuka

Long term borrowings - 0% Optionally Convertible Debentures

During the year ended March 31, 2020, the Group has issued 14,300 0% Optionally Convertible Debentures (OCD) of Rs.1,00,000 each. In case, the OCD holders exercise their option to convert the same, then the said conversion shall happen only on the basis of face value of each of the OCD and no interest shall be payable to the OCD holders. However, if the OCD holders opt not to exercise their option for conversion, then the OCL holders shall be entitled to redemption premium of atleast 11 % IRR on annual basis on the amount of the said OCDs or such higher amount as the Board decides after considering the market price of shares of the Group; however in any case, redemption premium shall not exceed beyond 18% IRR on an annual basis. The said OCD, till the time it is not converted into equity shares, shall not be listed on any stock exchange in India and are permitted to be transferred only with the permission of the Board of Directors of the Company. Further there shall be no redemption of OCDs, including payment of interest/ other kind of return of whatsoever nature thereon, until entire outstanding of the loan availed from Union Bank of India is paid in full to the lender.

₹ in Lakhs

43 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, 2020**	**March 31, 2019**
Debt	56,389.31	2,53,446.64
Less: Cash and bank balances	17,592.00	32,551.88
Net debt	38,797.31	2,20,894.76
Total equity	1,02,435.73	(70,403.75)
Gearing ratio (%)	37.87%	-313.75%

Categories of Financial Instruments	**March 31, 2020**	**March 31, 2019**
Financial assets		
a. Measured at amortised cost		
Other non-current financial assets	140.76	1,694.32
Trade receivables	6,796.94	11,989.09
Cash and cash equivalents	8,989.15	9,231.09
Bank balances other than above	8,602.85	23,320.79
b. Mandatorily measured at FVTOCI		
Investments	33.82	47.21
Financial liabilities		
a. Measured at amortised cost		
Borrowings (non-current)	50,147.07	1,42,460.71
Borrowings (current)	-	69,549.00
Trade payables	10,343.51	30,244.69

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.

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, 2020 (Also refer note 48 on implementation of resolution plan)

₹ in Lakhs

Currency (All amt in Lakhs)	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	3.18	-	3.18	130.54	-	130.54	127.36
EUR	1.90	-	1.90	0.98	-	0.98	(0.92)
GBP	0.31	-	0.31	-	-	-	(0.31)
Others	2.15	-	2.15	-	-	-	(2.15)
In INR	436.17	-	436.17	9,823.55	-	9,823.55	9,387.38

As on March 31, 2019

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	893.62	-	893.62	176.68	-	176.68	(716.94)
EUR	4.00	-	4.00	1.08	-	1.08	(2.92)
GBP	2.59	-	2.59	-	-	-	(2.59)
Others	792.27	-	792.27	-	-	-	(792.27)
In INR	62,865.33	-	62,865.33	12,225.89	-	12,225.89	(50,639.44)

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 profit for the year ended March 31, 2020 would decrease/ increase by Rs. 106.75 lakhs (March 31, 2019 : Till previous year, the Holding Company was in CIRP process, Accordingly, in the opinion of the management, the quantitative disclosure of interest rate sensitivity was not considered to be a meaningful representation of the present facts). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Group is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks and foreign exchange transactions. The Group has no significant concentration of credit risk with any counterparty.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

(a) Trade Receivables

The Group has credit evaluation policy for each customer and based on the evaluation, credit limit of each customer is defined. Wherever the Group assesses the credit risk as high, the exposure is backed by either bank guarantee/ letter of credit or security deposits.

The Group does not have higher concentration of credit risks to a single customer. As per simplified approach, the Group makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

(b) Investments, Cash and Cash Equivalents and Bank Deposits

Credit Risk on cash and cash equivalents, deposits with the banks/ financial institutions is generally low as the said deposits have been made with the banks/ financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments is generally low as the Group enters into the Derivative Contracts with the reputed Banks.

Investments of surplus funds are made only with approved banks/ financial institutions/ counterparty. Investments primarily include bank deposits, etc. These bank deposits and counterparties have low credit risk. The Group has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in bank deposit and restricts the exposure in equity markets.

Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the bank agreement is available only to the bank in the event of a default. Group does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

Liquidity risk management

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group invests its surplus funds in bank fixed deposits, which carry minimal mark to market risks. The Group also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Liquidity tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

₹ in Lakhs

March 31, 2020	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	10,343.51	-	-	10,343.51
Borrowings (including interest accrued thereon upto the reporting date)	6,242.24	34,160.00	15,987.07	56,389.31
	16,585.75	**34,160.00**	**15,987.07**	**66,732.82**
March 31, 2019	**Due in 1st year**	**Due in 2nd to 5th year**	**Due after 5th year**	**Carrying amount**
Trade payables	30,244.69	-	-	30,244.69
Borrowings (including interest accrued thereon upto the reporting date)	1,28,359.19	1,42,460.71	-	2,70,819.90
	1,58,603.88	**1,42,460.71**	**-**	**3,01,064.59**

	March 31, 2020	March 31, 2019
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)	Nil	Nil

44 Related party disclosure

List of parties having significant influence

Holding company	Dhanuka Laboratories Limited (w.e.f. March 31, 2020)
Key Management Personnel and their Relatives	
Mr. Ram Gopal Agarwal*	Chairman and non executive director (w.e.f. June 29, 2020)
Mr. Manish Dhanuka*	Managing Director (w.e.f. June 29, 2020)
Mr. Mridul Dhanuka*	Wholetime Director (w.e.f. June 29, 2020)
Mr. Arun Kumar Dhanuka	Non Executive Director (w.e.f. March 31, 2020)
Mr. K. Raghavendra Rao	Managing Director (till December 31, 2019)
Mr. L. Chandrasekar	Chief Financial Officer (till June 30, 2019)
Mr. Sunil Gupta	Chief Financial Officer (w.e.f. June 29, 2020)
Ms. K Nikita	Company Secretary (w.e.f. March 5, 2020)
* Joined the Board as Director with effective from March 31, 2020	
Enterprises in which Key Management Personnel and their Relatives have significant influence	Orchid Healthcare Private Ltd. (till December 31, 2019)

Transactions with related parties are as follows ₹ in Lakhs

Transactions/ Balances	Holding Company		Enterprises in which Key Management Personnel and their Relatives have significant influence		Key Management Personnel and their Relatives	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Short Term Borrowings / Advances received	12.04	-	-	-	-	-
Remuneration & Short term benefits*					57.20	96.53
Equity Share Capital allotted	4,000.00	-	-	-	-	-
Debentures issued	14,300.00	-	-	-	-	-

*Post employment benefit comprising compensated absences is not disclosed as these are determined for the Company as a whole.

Balances with related parties are as follows

Transactions/ Balances	Holding Company		Enterprises in which Key Management Personnel and their Relatives have significant influence		Key Management Personnel and their Relatives	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Short term borrowings	12.04	-	-	3,216.77	-	-
Equity Share Capital	4,000.00	-	-	-	-	-
0% Optionally Convertible Debentures (including the equity component disclosed under "Other Equity")	14,300.00	-	-	-	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

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

₹ in Lakhs

Material related party transactions are follows		
Nature of transactions	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Remuneration & Short term benefits		
a) K.Raghavendra Rao	11.20	48.92
b) L. Chandrasekhar	45.54	47.61
c) K. Nikita	0.46	-
Short Term Borrowings		
a) Dhanuka Laboratories Limited	12.04	-
Equity Share Capital		
a) Dhanuka Laboratories Limited	4,000.00	-
0% Optionally Convertible Debentures		
a) Dhanuka Laboratories Limited	14,300.00	-

Material related party balances are follows		
Name of the related party	**As at March 31, 2020**	**As at March 31, 2019**
Short term borrowings		
Dhanuka Laboratories Limited	12.04	-
Equity Share Capital		
Dhanuka Laboratories Limited	4,000.00	-
0% Optionally Convertible Debentures		
(including the equity component disclosed under "Other Equity")		
Dhanuka Laboratories Limited	14,300.00	-

45 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 603.62 Lakhs (for the year ended March 31, 2019: Rs. 809.78 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.

(All 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, 2020	March 31, 2019
Discount Rate	6.57%	7.32%
Rate of increase in compensation level	7.00%	5.00%
Expected return on plan assets	6.57%	7.32%
Mortality	Indian Assured Lives Mortality (2012-14)(Ultimate)	Indian Assured Lives Mortality (2006-08)(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, 2020	March 31, 2019
Amount recognised under Employee Benefits Expense in the Statement of profit and Loss:		
Current service cost	116.41	112.59
Net interest expense	87.01	98.65
Return on plan assets (excluding amounts included in net interest expense)	(43.41)	(63.77)
Components of defined benefit costs recognised in profit or loss	**160.01**	**147.47**
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	190.42	(96.16)
Components of defined benefit costs recognised in other comprehensive income	**190.42**	**(96.16)**
Components of defined benefit costs recognised in other comprehensive income	**350.43**	**51.31**

i. Current service cost and the net interest expense for the year are included in the 'Employee Benefits Expense' in profit or loss.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

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

₹ in Lakhs

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:	March 31, 2020	March 31, 2019
ii. The remeasurement of the net defined benefit liability is included in other comprehensive income.		
The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:		
Present value of defined benefit obligation	1,616.09	1,419.73
Fair value of plan assets	(602.10)	(756.17)
Net liability/ (asset) arising from defined benefit obligation	**1,013.99**	**663.56**
Funded	1,013.99	663.56
Unfunded	-	-
	1,013.99	**663.56**
The above provisions are reflected under 'Provision for employee benefits-gratuity' (long-term provisions) [Refer note 20] and 'Provision for		
Movements in the present value of the defined benefit obligation in the current year were as follows:		
Opening defined benefit obligation	1,419.73	1,348.86
Current service cost	116.41	112.59
Prior service cost	-	-
Interest cost	87.01	98.65
Actuarial (gains)/losses	183.82	(137.90)
Benefits paid	(190.88)	(2.47)
Closing defined benefit obligation	**1,616.09**	**1,419.73**
Movements in the fair value of the plan assets in the current year were as follows:		
Opening fair value of plan assets	756.17	872.36
Difference in opening value	-	(5.74)
Return on plan assets	43.41	63.77
Redemption	-	(130.00)
Contributions	-	-
Benefits paid	(190.88)	(2.47)
Premium	-	(0.01)
Actuarial gains/(loss)	(6.60)	(41.74)
Closing fair value of plan assets	**602.10**	**756.17**

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

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

(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 yield fall, the defined benefit obligations will tends 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 benefits 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' (long-term provisions) [Refer note 20] and 'Provision for employee benefits - Compensated absences'(short-term provisions)[Refer note 24].

46 Enterprises consolidated as Subsidiary in accordance with Ind AS 110 - Consolidated Financial Statements

Name of enterprise	Country of Incorporation	Proportion of ownership interest
Orchid Europe Limited, UK	UK	100.00%
Orchid Pharmaceuticals Inc., USA	USA	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%

47 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	0.03%	30.22	-0.03%	3.59	-	-	-0.03%	3.59
Orchid Pharmaceuticals Inc., USA and its subsidiaries	-3.09%	(3,166.28)	5.20%	(681.88)	-	-	5.12%	(681.88)
Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa	-	-	-	-	-	-	-	-
Bexel Pharmaceuticals Inc., USA	-0.13%	(135.28)	-	(1.14)	-	-	-	(1.14)
Diakron Pharmaceuticals Inc., USA	-2.65%	(2,710.01)	1.71%	(224.07)	-	-	1.68%	(224.07)

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

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

48 Business Combination

Summary of acquisition

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

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

The new board constituted by the DLL took over the management of the Company and has approved these audited consolidated financial statements after giving effect to approved resolution plan. The above business combination is accounted as per the following details:

a) Liabilities assumed by Dhanuka Pharmaceuticals Private Limited ₹ in Lakhs

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

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

Expenses in respect of the above amalgamation is incurred by DLL, hence, no such expenses were debited to the statement of profit and loss of the Company. As part of the resolution plan, DLL has infused Rs. 61,000 lakhs as follows:

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

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

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

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

a) Assets taken over and liabilities assumed

Particulars	Amount
Assets taken over from DLL	
Bank Balance	1.57
Debit balance in profit and loss account	11.46
Non-Convertible Debentures	3,65,000.00
Liabilities assumed	
Long Term Borrowings (Financial Creditors)	(1,10,693.38)
Provision for Employee Benefits (Non-Current)	(1,178.54)
Trade Payables	(6,463.08)
Provision for Employee Benefits (Current)	(324.91)
Other current liabilities	(2,031.88)
Net identified assets taken over	**2,44,321.24**
b) Capital Reserve on business combination	
Particulars	**Amount**
Consideration paid to the existing share holders	-
Less: Net identifiable assets (taken over)	2,44,321.24
Capital Reserve on business combination	**2,44,321.24**
c) Adjustments made as per the Resolution Plan in Capital Reserve (refer note below)	

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

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

₹ in Lakhs

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

Note : Provisional accounting of carrying amount of assets

The above adjustments to the carrying amount have been made on a provision basis due to Covid'19 related restrictions in getting complete valuation for various assets and liabilities, including impairment on the carrying value of property, plant and equipment, capital work in progress, intangibles and intangibles under development. The Group is in the process of getting a detailed valuation report on lifting of the general lockdown through external experts and any consequential adjustments will be made within 12 months from the date of acquisition as provided in Ind AS 103 for provisional accounting for business combinations.

Significant estimate - Contingent Consideration

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

Significant Judgement - Contingent Liability

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

49 The Group is in the process of carrying out a comprehensive confirmation and reconciliation of receivables, loans and advances given, payables, bank balances and other financial assets, the claims received from the employees, financial creditors (including excess/ short provision of interest, non-provision of penal interest by the Group considering the agreement reached by the joint lenders meeting) and operational creditors with the books of account. Further, the Group is in the process of carrying out physical verification of fixed assets/ related reconciliation with the books of account and reconciliation of restatement account of foreign currency assets and liabilities

Pending completion of the aforesaid comprehensive reconciliation, the possible impact, if any, is not presently determinable. Accordingly, no adjustment has been made in the financial statements.

50 The management has based on the internal evaluation and the best estimate made by it, has not recognised any impairment in the carrying value of property, plant and equipment (PPE) and internally generated intangible assets comprising of DBF/ ANDA and recognised a partial impairment loss against PPE under development, intangibles under development and non-moving and slow moving inventories.

The management confirms that the impairment assessment is made internally with the presently available data and will review/ reassess the present estimate on lifting of the lockdown and on resumption of business at normal levels and further adjustments, if any required, will be made on completion of a comprehensive impairment testing.

51 The Hon'ble National Company Law Tribunal ("NCLT"), Chennai Bench, admitted the Corporate Insolvency Resolution Process ("CIRP") application filed by an operational creditor of Orchid Pharma Limited ("OPL" or "the Holding Company") and appointed an Interim Resolution Professional ("IRP"), in terms of the Insolvency and Bankruptcy Code, 2016 ("the Code") to manage the affairs of the Company vide CP.No. CP/ 540/ (IB)/ CB/ 2017, dated August 17, 2017. Subsequently, Mr. Ramkumar Sripatham Venkatasubramanian (IP Registration no. IBBI/IPA-001/IP-P00015/2016-17/10039) was appointed as the Resolution Professional ("RP") of the Company, by an order of Hon'ble NCLT with effect from October 27, 2017.

The Resolution Plan of Dhanuka Laboratories Limited was approved by the Hon'ble NCLT vide its order dated June 27, 2019. However, on an appeal filed by one of the unsuccessful resolution applicants, the Hon'ble National Company Law Appellate Tribunal ("NCLAT") stayed the implementation of the resolution plan until further orders and on November 13, 2019, had set aside the approved resolution plan of Dhanuka Laboratories Limited (DLL).

State Bank of India, one of the COC member, preferred an appeal against the impugned order of the Hon'ble NCLAT before the Hon'ble Supreme Court of India and the Apex Court on February 28, 2020 has upheld the Order dated June 27, 2019 of NCLT, Chennai and set aside the Order of NCLAT dated November 13, 2019.

Pursuant to the above order, the resolution plan submitted by the Resolution Applicant, "Dhanuka Laboratories Limited " ("DLL") was implemented during March 2020 through the Monitoring Committee constituted as per the resolution plan consisting of DLL (the successful resolution applicant), RP and two financial creditors of the Company on the effective date i.e. on March 31, 2020. Thus the Company became a subsidiary of DLL from the effective date.

The new board constituted by the DLL took over the management and has approved these audited financial results after giving effect to approved resolution plan.

52 In view of the implementation of the approved resolution plan, the assets and liabilities have been restated/ reclassified during the current year as per the terms of the resolution plan. Accordingly, may not be fully comparable with that of the previous year (which is during CIRP).

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

Chinnsamy Ganesan
Partner
Membership No.027501
UDIN : 20027501AAAABH5999
Place: Chennai
Date: June 29,2020

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

Manish Dhanuka
Managing Director
DIN: 00238798
Place: New Delhi
Date: June 29,2020

Mridul Dhanuka
Whole Time Director
DIN: 00199441
Place: New Delhi
Date: June 29,2020

Sunil Gupta
Chief Financial Officer
Place : New Delhi
Date : June 29, 2020

Nikita K
Company Secretary
Place: Chennai
Date: June 29,2020

Orchid Pharma Ltd.

(Formerly Orchid Chemicals & Pharmaceuticals Ltd.)
A Dhanuka Group Company
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 27th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 27th Annual General Meeting of the members of **Orchid Pharma Limited** will be held on ***Wednesday, December 30, 2020 at 12:00 Noon*** Indian Standard Time (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:-

ORDINARY BUSINESS:

1. To consider and adopt:

a) The Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020;

b) The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020;

c) The Reports of the Board of Directors ("the Board") and Auditors thereon;

In this regard, to-pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** the Audited Standalone Financial Statements and the Audited Consolidated Financial Statements for the financial year March 31, 2020 and the Reports of the Board of Directors and Auditors thereon laid before this meeting are hereby considered and adopted."

SPECIAL BUSINESS

2. Ratification of Remuneration to Cost Auditor for the Financial year 2020-21

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable Rules, if any, the payment of remuneration of Rs.2,00,000/- (Rupees Two Lakhs Only) plus applicable taxes and re-imbursement of out of pocket expenses to Shri J Karthikeyan, Cost Accountant [Membership No. 29934, Firm Registration Number M – 102695] Chennai appointed as the Cost Auditor by the Board, to conduct the audit of the cost records of the Company with regard to Pharmaceuticals (Bulk Drugs & Formulations) for the financial year 2020- 2021, be and is hereby ratified and confirmed."

3. Appointment of Dr Dharam Vir (DIN: 08771224) as an Independent Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 & 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, as amended from time to time and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (including any statutory amendment or modification or re-enactment thereof, for the time being in force), Dr Dharam Vir (DIN: 08771224) who has submitted a declaration stating that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations and who was appointed as an Additional Director in the capacity of an Independent Director of the Company by the Board of Directors with effect from June 29, 2020 in terms of Section 161 of the Companies Act, 2013 and Article 75 of the Articles of Association of the Company and who shall hold office up to the date of the ensuing Annual General Meeting be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of 5 (Five) consecutive years with effect from June 29, 2020."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

4. Appointment of Smt Tanu Singla (DIN: 08774132) as an Independent Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 & 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, as amended from time to time and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (including any statutory amendment or modification or re-enactment thereof, for the time being in force) Smt Tanu Singla (DIN:08774132) who has submitted a declaration stating that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations and who was appointed as an Additional Director in the capacity of an Independent Director of the Company by the Board of Directors with effect from June 29, 2020 in terms of Section 161 of the Companies Act, 2013 and Article 75 of the Articles of Association of the Company, who shall hold office up to the date of the ensuing Annual General Meeting and who is eligible for appointment as a Director of the Company be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of 5 (Five) consecutive years with effect from June 29, 2020."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

5. Appointment of Shri Manoj Kumar Goyal (DIN: 06361663) as an Independent Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:-**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 & 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, as amended from time to time and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (including any statutory amendment or modification or re-enactment thereof, for the time being in force), Shri Manoj Kumar Goyal (DIN: 06361663) who has submitted a declaration stating that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations and who was appointed as an Additional Director in the capacity of an Independent Director of the Company by the Board of Directors with effect from June 29, 2020 in terms of Section 161 of the Companies Act, 2013 and Article 75 of the Articles of Association of the Company , who shall hold office up to the date of the ensuing Annual General Meeting and who is eligible for appointment as a Director of the Company be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of 5 (Five) consecutive years with effect from June 29, 2020."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

6. Appointment of Shri Mudit Tandon (DIN: 06417169) as an Independent Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:-**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 & 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, as amended from time to time and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (including any statutory amendment or modification or re-enactment thereof, for the time being in force), Shri Mudit Tandon (DIN:06417169) who has submitted a declaration stating that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations and who was appointed as an Additional Director in the capacity of an Independent Director of the Company by the Board of Directors with effect from June 29, 2020 in terms of Section 161 of the Companies Act, 2013 and Article 75 of the Articles of Association of the Company , who shall hold office up to the date of the ensuing Annual General Meeting and who is eligible for appointment as a Director of the Company be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of 5 (Five) consecutive years with effect from June 29, 2020."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

7. Appointment of Shri Arun Kumar Dhanuka (DIN: 00627425) as Non-Executive Director

To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri. Arun Kumar Dhanuka (DIN: 00627425), who was appointed as an Additional Director (Non-Executive, Non Independent Director) of the Company, with effect from March 31, 2020, by the Monitoring Committee/ Board of Directors in terms of Section 161 of the Act and Articles of Association of the Company, who shall hold office up to the date of the ensuing Annual General Meeting and who is eligible for appointment as a Director of the Company and has given his consent be and is hereby appointed as a Non – Executive Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT any one of the Director(s) of the Company or the Company Secretary, be and are hereby individually and severally authorized to file the necessary forms with the Registrar of Companies / any other Regulator and to do all such acts, deeds and things as may be necessary and expedient to give effect to the aforesaid resolution."

8. Appointment of Shri Ram Gopal Agarwal (DIN: 00627386) as Non-Executive Director

To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri. Ram Gopal Agarwal (DIN: 00627386)who was appointed as an Additional Director (Non-Executive, Non Independent Director) of the Company, with effect from March 31, 2020, by the Monitoring Committee/ Board of Directors in terms of Section 161 of the Act and Articles of Association of the Company, who shall hold office up to the date of the ensuing Annual General Meeting and who is eligible for appointment as a Director of the Company and has given his consent, be and is hereby appointed as a Non – Executive Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT any one of the Director(s) of the Company or the Company Secretary, be and are hereby individually and severally authorized to file the necessary forms with the Registrar of Companies / any other Regulator and to do all such acts, deeds and things as may be necessary and expedient to give effect to the aforesaid resolution."

9. Appointment of Shri Manish Dhanuka (DIN: 00238798) as Managing Director

To consider and, if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197,203 and other applicable provisions, if any of the Companies Act, 2013 ("Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force) read with Schedule V of the Companies Act, 2013, pursuant to the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded for the appointment of Shri Manish Dhanuka (DIN: 0238798) as Managing Director of the Company (Key Managerial Personnel) for a period commencing from June 29, 2020 to February 27, 2025 whose office shall not be liable to determination by retirement of directors by rotation, subject to the approval of the members at the ensuring General meeting on the terms and conditions as set out below with liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary terms and conditions of the said appointment in such manner from time to time within the scope of Schedule V of the Companies Act, 2013, or any amendments thereto or any re-enactment thereof as may be agreed to between the Board and Shri Manish Dhanuka."

Terms and Conditions of Appointment

1. Period of Appointment: Appointment shall be for a period beginning from June 29, 2020 to February 27, 2025.

2. Details of Remuneration: -

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

In adherence with Sub – section (b) (iii) of Section III of Schedule V of the Companies Act, 2013, any remuneration may be fixed for the Managerial personnel for a period of five years from the date of approval of Resolution plan by the National Company Law Tribunal (February 28, 2020- February 27, 2025). Accordingly, any remuneration may be fixed for the Managerial personnel for the period till February 27, 2025.

C. Perquisites and Allowances:- In addition to the Salary & Commission, 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 would be 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, Superannuation 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.

3. 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, Allowances and other Benefits of Shri Manish Dhanuka has been fixed in accordance with Part II, Section III (b) (iii), 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.

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.

RESOLVED FURTHER THAT any of the Director(s) of the company be & are hereby severally authorised to file, sign, execute and to do all such acts, deeds, and things as may be necessary to give effect to the aforementioned resolution along with the filing of the e-form(s) with the Registrar of Companies."

10. Appointment of Shri Mridul Dhanuka (DIN: 00199441) as Whole Time Director

To consider and, if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any of the Companies Act, 2013 ("Act") and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force) read with Schedule V of the Companies Act,2013, pursuant to the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee of the Company consent of the Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded for the appointment of Shri Mridul Dhanuka (DIN:00199441) as Whole Time Director of the Company 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, subject to the approval of the members at the ensuring General meeting on the terms and conditions as set out below with liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary terms and conditions of the said appointment in such manner from time to time within the scope of Schedule V of the Companies Act, 2013, or any amendments thereto or any re-enactment thereof as may be agreed to between the Board and Shri Mridul Dhanuka."

Terms and Conditions of Appointment

1. Period of Appointment: Appointment shall be for a period beginning from June 29, 2020 to February 27, 2025.

2. Details of Remuneration: -

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

In adherence with Sub – section (b)(iii) of Section III of Schedule V of the Companies Act, 2013, any remuneration may be fixed for the Managerial personnel for a period of five years from the date of approval of Resolution plan by the National Company Law Tribunal (February 28, 2020- February 27, 2025). Accordingly, any remuneration may be fixed for the Managerial personnel for the period till February 27, 2025.

C. Perquisites and Allowances:- In addition to the Salary and Commission, 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 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 Whole Time Director.

The Salary, Commission, Perquisites & Allowances all put together as mentioned in A, B and C above would be 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, Superannuation 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.

3. Other Terms: - Subject to the direction, control and superintendence of the Board of Directors and service rules of the Company, Shri Mridul Dhanuka shall perform such duties and exercise such powers as are entrusted to or conferred upon him by the Board including performing duties as assigned by the Managing Director, from time to time, in the best interests of the Company.

The remuneration i.e., Salary, Commission, Perquisites, Allowances and other Benefits of Shri Mridul Dhanuka has been fixed in accordance with Part II, Section III (b) (iii), 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.

RESOLVED FURTHER THAT any of the Director(s) of the company be & are hereby severally authorised to file, sign, execute and to do all such acts, deeds, and things as may be necessary to give effect to the aforementioned resolution along with the filing of the e-form(s) with the Registrar of Companies."

11. Approval for Material Related Party Transactions

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 Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time, Company's policy on Related party transaction(s) and pursuant to the consent of the Audit Committee and the Board and subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary , the approval of the Members of the Company be and is hereby accorded for the material related party arrangements/ transactions entered/ to be entered into during the financial year 2020-2021 (including any modifications, alterations, amendments or renewal thereto) in the ordinary course of business and on arm's length basis with M/s. Otsuka Chemicals (India) Private Limited being 'Related Party' within the meaning of the Companies Act,2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as more particularly enumerated in the explanatory statement to the Notice on such terms and conditions as may be agreed between the Company and M/s. Otsuka Chemicals (India) Private Limited.

RESOLVED FURTHER THAT Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof) be and are hereby authorized to perform and execute all such deeds, matters and things including delegation of authority as may be deemed necessary or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto".

12. SELL, LEASE OR OTHERWISE DISPOSE OF WHOLE OR SUBSTANTIALLY THE WHOLE OF THE UNDERTAKING (S) OF THE COMPANY.

To consider and if thought it, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and subject to requisite approvals of all concerned statutory and regulatory authorities and departments, person or persons, if and to the extent necessary and such other approvals, permissions and sanctions as may be required, the consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter called "the Board" which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) to sell, lease, transfer/divest or otherwise dispose-of, the Company's investment (both present and future), the Company's tangible/ intangible assets, immovable/movable property/ies/ undertaking/s as may be determined by the Board to repay its dues/liabilities, retirement of debts and to meet growth objectives for such consideration and on such terms and conditions as the Board may deem fit in the best interest of the Company provided that the aggregate amount of such transactions shall not exceed Rs. 300 Crores (Rupees Three Hundred Crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize the terms and conditions and take such steps as may be necessary for obtaining approvals, statutory or contractual or otherwise, if any, required in relation to the above and to settle all the matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds and things that may be necessary, proper and expedient or incidental for the purpose of giving effect to the above resolution."

13. FUND RAISING THROUGH ISSUE OF EQUITY SHARES ON A PREFERENTIAL ALLOTMENT / PRIVATE PLACEMENT BASIS

To consider, and if thought fit, to pass, with or without modification, the following resolutions as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 42 and 62(1) (c), 179 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable rules made thereunder (including any amendment(s), statutory modification(s) or re-enactment thereof) (collectively, the **"Act & Rules"**) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended **("ICDR Regulations")**,SEBI (Substantial Acquisitions and Takeovers) Regulations,2011 and the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulation 2015, the applicable provisions of the Foreign Exchange Management

Act, 1999 ("**FEMA**") any other rules / regulations/ guidelines, if any, prescribed by the Securities and Exchange Board of India, Reserve Bank of India, stock exchange and/or any other statutory / regulatory authority; the Uniform Listing Agreement entered into by the Company with the Stock Exchanges, and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of the appropriate authorities, institutions or bodies as may be required, and subject to such conditions as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s), and/or sanction(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **"Board**" which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) and in accordance with applicable rules, regulations, guidelines, circulars and clarifications issued by Government of India **("GOI"),** Reserve Bank of India ("**RBI**"), Securities and Exchange Board of India ("**SEBI**") and/ or any other competent authorities and subject to (a) any other applicable laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force),the consent, authority and approval of the Members of the Company be and is hereby accorded to the Board to offer, issue, and allot such number of Equity Shares of the Company of the Face Value of Rs.10/- each **("Equity Shares")** on preferential allotment/private placement basis to eligible investors, for an aggregate amount not exceeding Rs. 300 Crores/- (Rupees Three Hundred Crores Only) (inclusive of such premium as may be fixed on such Equity Shares) in one or more series/tranches and at such price or prices, at premium to market price or prices in such manner and on such terms and conditions which may be agreed to by the Board at its discretion and appropriate in accordance with all applicable laws, rules and regulations for the time being in force in this regard **("the issue")** and without requiring any further approval or consent from the members.

RESOLVED FURTHER THAT the Equity Shares to be issued and allotted pursuant to this resolution shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari- passu with the existing Equity Shares of the Company in all respects.

RESOLVED FURTHER THAT the Equity Shares to be issued shall be listed with the stock exchanges, where the existing Equity Shares of the Bank are listed.

RESOLVED FURTHER THAT the relevant date for determination of price of Equity Shares to be issued, offered and allotted by way of the proposed issues shall be the date as may be fixed in accordance with ICDR Regulations from time to time.

RESOLVED FURTHER THAT the allotment of Equity Shares shall be completed within a period of 365 days from the date of this Resolution approving the proposed issue or such other time as may be permitted under ICDR Regulations from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to the offer, issue, allotment of the Equity Shares, the Board be and is hereby authorized to do all such acts, deed, matters and things as may in their absolute discretion deem necessary and desirable for such purpose, including without limitations, preparing, signing, executing, and filing applications with the appropriate authorities for obtaining requisite approvals for the issuance of the Equity Shares, as may be required, issuing clarifications on the issue and allotment of the Equity Shares, resolving any difficulties, effecting any modifications, changes, variations, alterations, additions and/or deletions to the foregoing conditions as may be required by any regulator, or other authorities or agencies involved in or concerned with the issue of the Equity Shares and as the Board may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the members or otherwise.

RESOLVED FURTHER THAT for the purpose of giving effect to the resolution, the Board be and is hereby authorized to engage depositories, registrars, bankers, and other consultants and advisors to the issue and to remunerate them by way of fees and/or other charges and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with such agencies, as may be required and as permitted by law.

RESOLVED FURTHER THAT for the purpose of giving effect to the resolution, the Board be is hereby authorized to delegate any or all of the powers conferred upon it by this resolution to any committee of directors, any other directors(s), and/or officer(s) of the Company."

For and on behalf of the Board of Directors of

Orchid Pharma Limited

Date: November 11, 2020
Place: New Delhi

Manish Dhanuka
Managing Director

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, Secretarial Standards -2 on General Meetings and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 setting out material facts in respect of the special businesses to be transacted at the meeting, is annexed hereto.

2. In view of the continuing COVID-19 global pandemic, social distancing norms, the Ministry of Corporate Affairs vide its Circular No.20/2020 dated May 05, 2020 read with Circular No.14/2020 dated April 8, 2020 and Circular No.17/2020 dated April 13, 2020 allows conducting of Annual General Meeting of the Company through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the physical presence of the members for the meeting at a common venue. In terms of the said Circulars and in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the AGM of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the AGM through VC / OAVM only. In accordance with the Secretarial Standard -2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with guidance/ clarification dated April, 15, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. The detailed procedure for participating in the meeting through VC / OAVM is appended herewith and also available at the Company's website www.orchidpharma.com

3. Since this AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporate are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Corporate members intending to attend/vote at AGM through VC / OAVM by their respective authorized representative(s) pursuant to section 113 of the Companies Act, 2013 to are requested to send their Certified True Copy of the resolutions/ Power of Attorney to the Scrutinizer by e-mail on lalitha.companysecretary@gmail.com with a copy marked to RTA- yuvraj@integratedindia.in and Ms. Nikita K (nikitak@orchidpharma.com) authorizing their representatives to attend and vote on their behalf at the Annual General Meeting of the Company.

4. M/s. CNGSN& Associates LLP, Chartered Accountants, continue to be the Statutory Auditors of the Company for the current financial year 2020-2021.

5. The Register of Members and the Share Transfer Books will remain closed from Wednesday, December 23,2020 to Wednesday, December30, 2020 both days inclusive for the purpose of Annual General Meeting for the financial year 2019-2020.

6. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM

7. The Company draws your attention to the notification issued by SEBI dated June 08, 2018 and the press release dated 3rd December 2018 amending Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Pursuant to the amended provisions, any request for effecting transfer of shares in physical form shall not be processed except in case of transmission or transposition of shares unless the shares are held in demat form. Hence, the Company / Registrar and Share Transfer Agent would not be in a position to accept / process the requests for transfer of shares held in physical form with effect from 01.04.2019. As such, SEBI had mandated transfer of shares in dematerialised form alone. This measure is aimed at curbing fraud and manipulation risk in physical transfer of securities by unscrupulous entities. Transfer of securities only in demat form will improve ease, facilitate convenience and safety of transactions for investors. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact either the Company or M/s Integrated Registry Management Services Private Limited (IRMSPL), for assistance in this regard.

8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company /IRMSPL.

9. Members holding shares in Dematerialized form are requested to intimate any changes pertaining to their Bank details change of address / name etc., to their respective Depository Participant. Kindly quote Client ID and DPID numbers in all your correspondences. Members who hold shares in physical form are requested to notify any change in their particulars like changes in address, bank particulars etc., to the Company's Registrar and Share Transfer Agents (RTA) viz., M/s Integrated Registry Management Services Private Limited, 2nd Floor, Kences Towers, No. 1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017, Tamil Nadu, India (yuvraj@integratedindia.in). Kindly quote the ledger folio number

in all your correspondences.

10. Members are requested to address all correspondence to the Company's Registrar and Share Transfer Agents (RTA) viz., M/s Integrated Registry Management Services Private Limited, 2nd Floor, Kences Towers, No. 1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017, Tamil Nadu, India (yuvraj@integratedindia.in) or to the Company at its Registered Office at Orchid Towers, No.313 Valluvarkottam High Road, Nungambakkam, Chennai-600034, Tamil Nadu, India

11. Members holding shares in physical form can avail the nomination facility by filing Form SH-13, as prescribed under Section 72 of the Companies Act, 2013 and the Rules made thereunder, with the Company. Members holding shares in demat form may contact their respective Depository Participants (DPs) for availing this facility.

12. Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with Rule 18(1) of the Companies (Management and Administration) Rules, 2014, the Notice calling the AGM along with the Annual Report for the financial year 2019-2020 is being sent in electronic mode to all the Members who have registered their e-mail ID's with the Company/Depository Participants for communication purposes.

13. In line with the MCA circulars the Notice convening 27th AGM and explanatory statement ('the Notice') and the Annual Report of the Company for the Financial Year 2019-2020 is available on the Company's website on https://www.orchid pharma.com. The Notice and Annual Report of the Company is also hosted on the website of stock exchanges where the shares of the Company are listed i.e. BSE Limited (https://www.bse india.com) and National Stock Exchange of India Limited (https://www.nseindia.com) and also on the website of Central Depository Services (India) Limited ("CDSL") (agency for providing the VC/ OAVM facility/Remote e-Voting and e-voting system during the AGM) i.e.www.evotingindia.com.

14. The Company has appointed Central Depository Services (India) Limited ("CDSL") to provide facility for voting through remote e-Voting, for participation in the 27th AGM through VC/OAVM Facility and e-Voting during 27th AGM of the Company.

15. Attendance of the members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.

16. Facility of joining the AGM through VC / OAVM shall be open before Fifteen (15) minutes of the time scheduled for the AGM and will be kept open till the expiry of Fifteen (15) minutes after such scheduled time of commencement of meeting as stated in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. The large members (i.e. members holding 2% or more shareholding), promoters, institutional investors, directors, Key Managerial Personnel, the chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. are allowed to attend the meeting without restriction on account of first-come first-served basis

17. The Members are requested to note that the Company has arranged Video Conferencing Facility (VC) for the proceedings of the AGM through Cisco Webex platform. Members may use this facility by using the same login credentials as provided for remote e-Voting. Members on the day of the AGM will login through their user ID and password on e-Voting website of CDSL. The link/tab will be available in Member login where the EVEN of the Company will be displayed.

18. The Board of Directors of the Company has appointed CS Lalitha S, Practising Company Secretary M/s. LB& Co. (Membership No. 4464, CP No. 2666) having address at 2nd floor, No.36/98, Halls road ,Kilpauk, Chennai-600010 as the Scrutinizer to scrutinize the remote e-voting and the e-voting at AGM in a fair and transparent manner.

19. The scrutinizer shall, immediately after the conclusion of the e- voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e- voting and make, submit not later than 48 hours from conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, to the Chairman or in his absence any other Director or Key Managerial Personnel as authorized by the Chairman of the AGM, who shall countersign the same.

20. The results of voting will be declared within 48 hours from the conclusion of the Annual General Meeting. The results declared along with the Consolidated Scrutinizer's Report shall be placed on the Company's website www.orchidpharma.com and on www.evotingindia.com. Further, the results shall be displayed on the Notice Board of the Company at its Registered Office and will also be posted on the website of Company. It shall also be communicated to stock exchanges, where the Company's shares are listed.

21. The Register of Director's and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013. The Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection by Members in electronic mode upto the date of the 27th Annual General Meeting of the Company.

22. The relevant details as required by Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standards-2 (SS-2) notified by Ministry of Corporate Affairs of the directors seeking appointment as Directors, is provided in the annexure attached

to this notice. The directors have furnished consent/declaration for their appointment as required under the Companies Act,2013 and the Rules framed thereunder.

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 Section 124 of the Companies Act, 2013, the amounts, which remain unpaid or unclaimed for a period of seven years, shall be transferred to the Investor Education and Protection Fund established under Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001. As per Section 124 (6) of the Companies Act, 2013 ("Act"), all the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of IEPF. The shareholder are entitled to claim the shares and the dividend transferred to IEPF in accordance with such procedure and on submission of such documents as prescribed in the Act.

25. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is providing a facility to its members to exercise their votes electronically through the remote e-voting facility arranged by CDSL for all items of business as set out in the notice of the AGM and confirms that the business can be transacted through e-voting in pursuance of the above provisions. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited ("CDSL") for facilitating voting through electronic means, as the authorised evoting's agency. The facility of casting votes by a Member using remote e-voting, as well as the e-voting system on the date of the AGM, will be provided by CDSL.

26. The Notice of the 27th AGM and instructions for e-voting is being sent to all members by e-mail.

27. Members desiring any information as regards the financial statements are requested to write to the Company at least seven days before the date of this AGM.

CALENDAR-AGM		
S.NO.	**PARTICULARS**	**DATE**
1.	Cut-off Date For Eligibility of Voting for the AGM	Wednesday, December 23 , 2020
2.	Book Closure Dates	From Wednesday, December 23 , 2020 to Wednesday, December 30, 2020(both days inclusive)
3.	Remote E-Voting Period	From 9.00 A.M (IST) on Saturday, December 26, 2020 till 5.00 P.M. (IST) on Tuesday , December 29 , 2020
4.	Date & Time of AGM	Wednesday, December 30, 2020 at 12:00 Noon (IST)

Instructions for e-voting

Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations,2015 as amended the Company is pleased to offer remote e-voting facility to its Members, in respect of the business to be transacted at the AGM as set forth in the Notice convening the 27th Annual General Meeting to be held on Wednesday, December 30 , 2020 through CDSL. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM through VC or OAVM will be provided by CDSL

The e-voting facility is available at the link https://www.evotingindia.com

Please read the instructions printed below before exercising your vote.

These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on Wednesday , December 30, 2020.

General Instructions:

1. The remote e-voting period commences at 9.00 A.M. (IST) on **Saturday, December 26, 2020** and ends at 05.00 P.M (IST) on **Tuesday, December 29, 2020.** During this period, the shareholders of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date of **December 23, 2020** may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

2. Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the

Company, holding shares either in physical form or in dematerialised form, as on the **December 23, 2020** cut-off date (and who have not cast their vote electronically during currency of remote e-voting) may only cast their vote at the Annual General Meeting.

3. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

4. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice and holding shares as of the Cut Off date i.e. December 23, 2020 may obtain the login ID and password by sending a request in writing at helpdesk.evoting@cdslindia.com. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details / Password" option available on www.evotingindia.com.

5. 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 (December 23,2020) only shall be entitled to avail the facility of remote e-voting/voting at the AGM. A person who is not a member as on the cut-off date, should treat this Notice for information purpose only

6. The Scrutinizer shall after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

7. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on **December 23, 2020.** The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.orchidpharma.com and on the website of the CDSL within two days of the passing of the resolutions at the 27th Annual General Meeting of the Company and communicated to National Stock Exchange of India Limited and BSE Limited.

8. All documents referred to in the accompanying Notice and the Statement pursuant to Section 102 of the Companies Act, 2013, will be available for inspection at the Registered Office of the Company during business hours on all working days up to the date of declaration of the result of the 27th Annual General Meeting.

Steps for Remote e-voting

1	The voting period begins on **Saturday, December 26, 2020 at 9:00A.M. (IST)** and ends on **Tuesday, December 29, 2020 at 5:00 P.M. (IST)** During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **December 23, 2020** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue Open the internet browser and type the following URL- URL: https://www.evotingindia.com
2	Click on "Shareholders/Members" module to cast your votes
3	Now enter your User ID **For members holding shares in demat form** a) For CDSL: 16 digits beneficiary ID b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID **For members holding shares in Physical form** c) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company OR Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at https://www.cdslindia.com from Login - Myeasi usingyourlogin credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.
4	Next enter the Image Verification (Captcha Code) as displayed and Click on Login
5	If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6	**If you are a first time user follow the steps given below:** **For Shareholders holding shares in Demat Form and Physical Form PAN:** Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders, as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is mentioned in the e-mail communication in the PAN field sent by Company / RTA or contact Company / RTA **Dividend Bank Details OR Date of Birth (DOB):** Enter the Dividend Bank Details or Date of Birth as recorded in your Demat account or in the Company records for the said Demat account or folio in dd/ mm/yyyy format in order to login. If both the details are not recorded with the Depository or Company, please enter the member id / folio number in the Dividend Bank details field.
8	After entering these details appropriately, click on "SUBMIT" tab.
9	Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for Resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
10	For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice
11	Click on the EVSN for the Orchid Pharma Limited on which you choose to vote
12	On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution
13	Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details
14	After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote
15	Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote
16	You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.
17	If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
18	Shareholders can also cast their vote using CDSL's mobile app **"mVoting"**. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
19	Non individual shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module. (a) A scanned copy of the Registration Form bearing the stamp and signature of the entity should be e-mailed to helpdesk.evoting@cdslindia.com. (b) After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia. com and on approval of the accounts they would be able to cast their vote. (c) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same. (d) Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer (lalitha.companysecretary@gmail.com) with a copy to the mail (nikitak@orchidpharma.com) and to the RTA (yuvraj@integratedindia.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
20	If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk. evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022- 23058543) or Mr. Rakesh Dalvi (022-23058542)
21	All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43

Process for those shareholders whose email addresses are not registered with the depositories or obtaining login credentials for e-voting for the resolutions proposed in this Notice:

1. For Physical shareholders: Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) through email.

2. For Demat shareholders: Please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (selfattested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) through email. The above documents need to be sent to the email address of the Company / RTA viz: **nikitak@orchidpharma.com/ yuvraj@integratedindia.in**

Instructions for shareholders attending the AGM through VC / OAVM are as under:

1. Shareholders will be provided with a facility to attend the AGM through VC / OAVM through the CDSL e-Voting system. Shareholders may access the same at https:// ww.evotingindia.com under shareholders / members login by using the remote e-voting credentials. The link for VC / OAVM will be available in shareholder / members login where the EVSN of Company will be displayed.

2. Shareholders are encouraged to join the Meeting through Laptops / Desktop / IPads for better experience. Further, shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

3. 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 WiFi or LAN Connection to mitigate any kind of aforesaid glitches.

4. Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request in **advance atleast 03 days** prior to meeting mentioning their name, demat account number / folio number, email id, mobile number at **nikitak@orchidpharma.com**. The shareholders who do not wish to speak during the AGM but have queries may send their queries in **advance 03 days** prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at **nikitak@orchidpharma.com**

Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, set out the material facts relating to the business mentioned in the accompanying Notice dated November 11, 2020

Item No. 2 – Ratification of remuneration to Cost Auditor

The Audit Committee and the Board of Directors of the Company at their meetings held on September 07, 2020 have approved the appointment of Shri J Karthikeyan, Cost Accountant [Membership No. 29934, Registration Number - 102695], Chennai, as the Cost Auditors of the Company to conduct the audit of the Cost records of the Company with regard to Pharmaceuticals (Bulk Drugs & Formulations) for the financial year 2020-2021.

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.2 of the Notice to ratify the remuneration of Rs.2,00,000/- (Rupees Two Lakhs Only) plus applicable taxes and re-imbursement of out of pocket expenses to Shri J Karthikeyan, Cost Auditor towards audit of the Cost records of the Company with regard to Pharmaceuticals (Bulk Drugs & Formulations) for the financial year 2020-2021 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 September 07,2020.

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.2 of the Notice.

In terms of Regulation 17(11) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company recommends passing of the Resolution set out in Item No. 2 to the shareholders of the Company.

Item No. 3 – Appointment of Dr. Dharam Vir (DIN: 08771224) as an Independent Director

The Board of Directors of the Company at its meeting held on June 29, 2020 had appointed Dr. Dharam Vir (DIN: 08771224) as an Additional Director (Independent Director) of the company pursuant to Section 149, 152 and 161 of the Companies Act, 2013 to hold office from June 29, 2020. Pursuant to the provisions of Section 161 of the Companies Act, 2013 Dr Dharam Vir holds office up to the date of the ensuing Annual General Meeting and is eligible for appointment as an Independent Director.

Dr Dharam Vir is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director and has also given declaration that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the

Companies Act, 2013 and under Listing Regulations (as amended from time to time).

The proposed resolution set out at Item No.3, seeks the approval of members for the appointment of Dr Dharam Vir as an Independent Director of the Company for the first term of five consecutive years with effect from June 29, 2020 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013.

In the opinion of the Board, Dr Dharam Vir fulfils the conditions specified in the Companies Act, 2013 and Rules made there under for his appointment as an Independent Director of the Company and meets the criteria of Independence and fulfills the conditions for appointment as Independent Director in terms of Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also submitted his willingness to act as Director of Company.

Considering his rich and wide experience, the Board of Directors at their meeting held on June 29,2020 recommended for the approval of the Members the appointment of Dr Dharam Vir as Independent Director for first term of 5 (Five) consecutive years.

Dr Dharam Vir shall hold office for a period of 5 (Five) consecutive years with effect from 29th June, 2020 until the conclusion of the 32nd Annual General Meeting of the Company to be held in the calendar year 2025.

A Copy of the draft letter for appointment, setting out his terms and conditions of appointment of Dr Dharam Vir as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day and shall also be available for inspection in electronic form throughout the continuance of 27th Annual General Meeting. Except Dr Dharam Vir, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of this notice. The disclosure under Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is annexed with the Notice.

The Board hereby recommends the Resolution as set out at Item No. 3 for consideration and approval of Shareholders of the Company by way of Ordinary Resolution.

THE INFORMATION IN RESPECT OF ITEM NO.3 (PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ISSUED BY INSTITUTE OF COMPANY SECRETARIES OF INDIA PURSUANT TO SECTION 118 OF THE COMPANIES ACT, 2013)

Brief Profile of the Director

The brief resume, age, qualifications, functional expertise and the membership on various Boards and Committee to be appointed at the Twenty Seventh Annual General Meeting of the company are furnished below.

Particulars	Item No.3
	**Dr Dharam Vir** Independent Director
Name & Age of the Director	Dr Dharam Vir, 59 years
Date of Birth	15.03.1961
Qualifications	Dr Dharam Vir holds a Bachelor's degree in Chemistry, Master's degree in Organic Chemistry and Ph.D. Degree in Synthetic Organic/Heterocyclic /Medicinal Chemistry and Post-Doctoral experience (WHO Project) .He was also awarded post-doctoral fellowships from University of Illinois at Chicago, USA, and Georgia State University Atlanta USA.
Brief resume, Experience and expertise in specific functional areas	Dr Dharam Vir has rich experience of about 32 years in Pharmaceutical Industry wherein he has played significant role in both strategic and operational aspects of Rand D and IP by identifying and commercialization of many IP-based-R and D-enabled business driven opportunities in many regulated markets to sustain in pharma business. In his career span of 32 years, he worked with Ranbaxy Laboratories Ltd. (Now Sun Pharma Industries Ltd.) for more than about 20 years. He was associated with Jubilant Generics Ltd. for more than about 11 years. At Jubilant, he headed a multi-locational diversely qualified API R and D team including Process Chemistry Scientists, Intellectual Property Scientists, Chemical Engineers, Analytical Research Scientists, Compliance personnel, Tech Transfer and Pilot.

Particulars	Item No.3
	He has been trained by Singularity University, USA on Foundations of Exponential Thinking and on Digital Transformation to bring Technological Disruption and Digital Intervention in Rand D Labs by Bain and AT Kearney consultants. He has undergone various other intensive training programs pertaining to leadership, lean six sigma championship, QbD, Trends in Drug Discovery, asset management and capacity enhancement etc. He has more than 100 unique inventions/Patent Applications/Patents and several Research Publications in reputed International Scientific Journals to his credit bearing testimony to his scientific achievements. He has been an active and prominent speaker at various domestic and international forums. He was awarded "Lifetime Achievement Award - For Outstanding Contribution and Excellence" as an IP Professional by IP Era, Mumbai (India) in 2015. He was the member of The Society of Chemical Industry, UK for more than 5 years till December 2019.
Date of first appointment on the Board	June 29,2020
List of other Public companies in which Directorships held	Nil
Chairman/ Member of the Committee of the Board of Director of the Company	Orchid Pharma Limited Stakeholder Relationship Committee- Member & Chairman (w. e. f June 29,2020)
Chairman/ Member of the Committee of the Other companies in which he is a Director	Nil
Number of Shares held in the Company (both own or held by/ for other persons on a beneficial basis) as on March 31, 2020	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Dr Dharam Vir is not related to any of the Directors/Key Managerial Personnel of the Compar
Number of meetings attended during the year	NA*
Terms and conditions of appointment along with details of remuneration sought to be paid	In terms of Section 149 and other applicable provisions of the Act, Dr Dharam Vir is eligible to be appointed as an Independent Director of the Company and has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. As per the provisions of Section 149 of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. The matter regarding appointment of Dr Dharam Vir as Independent Director was placed before the Board which recommends his appointment as Independent Director for a term of 5 years with effect from June 29,2020. Dr Dharam Vir is entitled only to the sitting fee for attending the Board and committee meetings which is fixed at Rs.25,000 (Rupees Twenty five thousand Only) per Board Meeting and Rs.5,000 (Rupees Five Thousand Only) per Committee meeting
Justification for choosing the appointees f appointment as Independent Directors	In the opinion of the Board, Dr Dharam Vir fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. The proposal for appointment of Director has been approved by the Board considering their skills, wide experience and knowledge.
* The Independent Directors were inducted on the Board of the Company with effect from June 29, 2020.	

Item No. 4 – Appointment of Smt. Tanu Singla (DIN: 08774132) as an Independent Director

The Board of Directors of the Company at its meeting held on June 29, 2020 appointed Smt. Tanu Singla (DIN: 08774132) as an Additional Director (Independent Director) of the company pursuant to Section 149, 152 and 161 of the Companies Act, 2013 to hold office from June 29, 2020. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Smt Tanu Singla holds office up to the date of the ensuing Annual General Meeting and is eligible for appointment as an Independent Director.

Smt Tanu Singla is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as Director and has also given declaration that she meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under Listing Regulations (as amended from time to time).

The proposed resolution set out at Item No.4, seeks the approval of members for the appointment of Smt Tanu Singla as an Independent Director of the Company for the first term of five consecutive years with effect from June 29, 2020 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013.

In the opinion of the Board, Smt Tanu Singla fulfils the conditions specified in the Companies Act, 2013 and Rules made there under for her appointment as an Independent Director of the Company and meets the criteria of Independence and fulfills the conditions for appointment as Independent Director in terms of Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. She has also submitted his willingness to act as Director of Company.

Considering her rich and wide experience, the Board of Directors at their meeting held on June 29,2020 recommended for the approval of the Members the appointment of Smt Tanu Singla as Independent Director for first term of 5 (Five) consecutive years. Smt Tanu Singla shall hold office for a period of 5 (Five) consecutive years with effect from 29th June, 2020 until the conclusion of the 32nd Annual General Meeting of the Company to be held in the calendar year 2025.

A Copy of the draft letter for appointment, setting out the terms and conditions of appointment of Smt Tanu Singla as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day and shall also be available for inspection in electronic form throughout the continuance of 27th Annual General Meeting.

Except Smt Tanu Singla, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of this notice. The disclosure under Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is annexed with the Notice.

The Board hereby recommends the Resolution as set out at Item No. 4 for consideration and approval of Shareholders of the Company by way of Ordinary Resolution.

THE INFORMATION IN RESPECT OF ITEM NO.4 (PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ISSUED BY INSTITUTE OF COMPANY SECRETARIES OF INDIA PURSUANT TO SECTION 118 OF THE COMPANIES ACT, 2013)

Brief Profile of the Director

The brief resume, age, qualifications, functional expertise and the membership on various Boards and Committee to be appointed at the Twenty Seventh Annual General Meeting of the company are furnished below.

Particulars	Item No.4
 Smt Tanu Singla Independent Director	
Name & Age of the Director	Smt Tanu Singla, 34 years
Date of Birth	20.11.1985

Particulars	Item No.4
Qualifications	Smt Tanu Singla is a Member of the Institute of Company Secretaries of India, holds a Bachelors degree in Legislative Law and Diploma in Finance Management.
Brief resume, Experience and expertise in specific functional areas	Smt Tanu Singla has an experience of more than ten years as a Company Secretary in Real Estate and Media Industry. She has expertise in Business Management, Finance, Accounts, Audit, real estate matters etc.
Date of first appointment on the Board	June 29,2020
List of other Public companies in which Directorships held	Nil
Chairman/ Member of the Committee of the Board of Director of the Company	Orchid Pharma Limited Audit Committee- Member (w. e. f June 29,2020) Stakeholder Relationship Committee- Member (w. e. f June 29,2020)
Chairman/ Member of the Committee of the Other companies in which she is a Director	Nil
Number of Shares held in the Company (both own or held by/ for other persons on a beneficial basis) as on March 31, 2020	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Smt Tanu Singla is not related to any of the Directors/Key Managerial Personnel of the Company.
Number of meetings attended during the year	NA*
Terms and conditions of appointment along with details of remuneration sought to be paid	In terms of Section 149 and other applicable provisions of the Act, Smt Tanu Singla is eligible to be appointed as an Independent Director of the Company and has given a declaration to the Board that she meets the criteria of independence as provided under Section 149 (6) of the Act. As per the provisions of Section 149 of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. The matter regarding appointment of Smt Tanu Singla as Independent Director was placed before the Board which recommends her appointment as Independent Director for a term of 5 years with effect from June29, 2020. Smt Tanu Singla is entitled only to the sitting fee for attending the Board and committee meetings which is fixed at Rs.25,000 (Rupees Twenty five thousand Only) per Board Meeting and Rs.5,000(Rupees Five Thousand Only) per Committee meeting.
Justification for choosing the appointees for appointment as Independent Directors	In the opinion of the Board, Smt Tanu Singla fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. The proposal for appointment of Director has been approved by the Board considering their skills, wide experience and knowledge.
* The Independent Directors were inducted on the Board of the Company with effect from June 29, 2020.	

Item No. 5 – Appointment of Shri Manoj Kumar Goyal (DIN: 06361663) as an Independent Director

The Board of Directors of the Company at its meeting held on June 29, 2020 had appointed Shri Manoj Kumar Goyal (DIN: 06361663) as an Additional Director of the company (Independent Director) of the company pursuant to Section 149, 152 and 161 of the Companies Act, 2013 to hold office from June 29, 2020. Pursuant to the provisions of Section 161 of the Companies Act, 2013 Shri Manoj Kumar Goyal holds office up to the date of the ensuing Annual General Meeting and is eligible for appointment as an Independent Director.

Shri Manoj Kumar Goyal is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and have given his consent to act as Director and has also given declaration that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under Listing Regulations (as amended from time to time).

The proposed resolution set out at Item No.5, seeks the approval of members for the appointment of Shri Manoj Kumar Goyal as an Independent Director of the Company for the first term of five consecutive years with effect from June 29, 2020 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013.

In the opinion of the Board, Shri Manoj Kumar Goyal fulfils the conditions specified in the Companies Act, 2013 and Rules made there under for his appointment as an Independent Director of the Company and meets the criteria of Independence and fulfills the conditions for appointment as Independent Director in terms of Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also submitted his willingness to act as Director of Company.

Considering his rich and wide experience, the Board of Directors at their meeting held on June 29,2020 recommended for the approval of the Members the appointment of Shri Manoj Kumar Goyal as Independent Director for first term of 5 (Five) consecutive years. Shri Manoj Kumar Goyal shall hold office for a period of 5 (Five) consecutive years with effect from 29th June, 2020 until the conclusion of the 32nd Annual General Meeting of the Company to be held in the calendar year 2025.

A Copy of the draft letter for appointment, setting out his terms and conditions of appointment of Shri Manoj Kumar Goyal as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day and shall also be available for inspection in electronic form throughout the continuance of 27th Annual General Meeting.

Except Shri Manoj Kumar Goyal, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of this notice. The disclosure under Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is annexed with the Notice.

The Board hereby recommends the Resolution as set out at Item No. 5 for consideration and approval of Shareholders of the Company by way of Ordinary Resolution.

THE INFORMATION IN RESPECT OF ITEM NO.5 (PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ISSUED BY INSTITUTE OF COMPANY SECRETARIES OF INDIA PURSUANT TO SECTION 118 OF THE COMPANIES ACT, 2013)

Brief Profile of the Director

The brief resume, age, qualifications, functional expertise and the membership on various Boards and Committee to be appointed at the Twenty Seventh Annual General Meeting of the company are furnished below.

Particulars	Item No.5
 **Shri Manoj Kumar Goyal** Independent Director	
Name & Age of the Director	Shri Manoj Kumar Goyal, 44 years
Date of Birth	26.05.1976

Particulars	Item No.5
Qualifications	Shri Manoj Kumar Goyal is a commerce graduate with Honours and passed Chartered Accountancy examination in 2001. He became a Fellow Member of the Institute of Chartered Accountants of India in 2006.
Brief resume, Experience and expertise in specific functional areas	Shri Manoj Kumar Goyal has about 19 years of experience in the field of Taxation, Audit, Accounting, Finance, Banking and Law. He is the Managing Partner of Goyal Malhotra and Associates, Chartered Accountants since the inception of the firm. He was a Statutory Auditor of different Banks, Insurance Companies and public sector undertaking. Besides this he has passed many certificate course organized by the Institute of Chartered Accountants of India.
Date of first appointment On the Board	June 29,2020
List of other Public companies in which Directorships held	Nil
Chairman/ Member of the Committee of the Board of Director of the Company	Orchid Pharma Limited Audit Committee - Member & Chairman (w. e. f June 29, 2020) Stakeholder Relationship Committee - Member (w. e. f September 07,2020) Nomination and Remuneration Committee- Member (w. e. f September 07,2020)
Chairman/ Member of the Committee of the Other companies in which he is a Director	Nil
Number of Shares held in the Company (both own or held by/ for other persons on a beneficial basis) as on March 31, 2020	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Shri Manoj Kumar Goyal is not related to any of the Directors/ Key Managerial Personnel of the Company.
Number of meetings attended during the year	NA*
Terms and conditions of appointment along with details of remuneration sought to be paid	In terms of Section 149 and other applicable provisions of the Act, Shri Manoj Kumar Goyal is eligible to be appointed as an Independent Director of the Company and has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. As per the provisions of Section 149 of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. The matter regarding appointment of Shri Manoj Kumar Goyal as Independent Director was placed before Board, which recommends his appointment as Independent Director for a term of 5 years with effect from June 29, 2020. Shri Manoj Kumar Goyal is entitled only to the sitting fee for attending the Board and committee meetings which is fixed at Rs.25,000 (Rupees Twenty five thousand Only) per Board Meeting and Rs.5,000 (Rupees Five Thousand Only) per Committee meeting
Justification for choosing the appointees for appointment as Independent Directors	In the opinion of the Board, Shri Manoj Kumar Goyal fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. The proposal for appointment of Director has been approved by the Board considering their skills, wide experience and knowledge.
* The Independent Directors were inducted on the Board of the Company with effect from June 29, 2020.	

Item No. 6 – Appointment of Shri Mudit Tandon (DIN: 06417169) as an Independent Director

The Board of Directors of the Company at its meeting held on June 29, 2020 had appointed Shri Mudit Tandon (DIN: 06417169) as an Additional Director (Independent Director) of the company pursuant to Section 149, 152 and 161 of the Companies Act, 2013 to hold office from June 29, 2020. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Shri Mudit Tandon holds office up to the date of the ensuing Annual General Meeting and is eligible for appointment as an Independent Director.

Shri Mudit Tandon is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director and has also given declaration that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under Listing Regulations (as amended from time to time).

The proposed resolution set out at Item No.6, seeks the approval of members for the appointment of Shri Mudit Tandon as an Independent Director of the Company for the first term of five consecutive years with effect from June 29, 2020 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013.

In the opinion of the Board, Shri Mudit Tandon fulfils the conditions specified in the Companies Act, 2013 and Rules made there under for his appointment as an Independent Director of the Company and meets the criteria of Independence and fulfills the conditions for appointment as Independent Director in terms of Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also submitted his willingness to act as Director of Company.

Considering his rich and wide experience, the Board of Directors at their meeting held on June 29,2020 recommended for the approval of the Members the appointment of Shri Mudit Tandon as Independent Director for first term of 5 (Five) consecutive years. Shri Mudit Tandon shall hold office for a period of 5 (Five) consecutive years with effect from 29th June, 2020 until the conclusion of the 32nd Annual General Meeting of the Company to be held in the calendar year 2025.

A Copy of the draft letter for appointment, setting out his terms and conditions of appointment of Shri Mudit Tandon as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day and shall also be available for inspection in electronic form throughout the continuance of 27th Annual General Meeting. Except Shri Mudit Tandon, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of this notice. The disclosure under Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is annexed with the Notice.

The Board hereby recommends the Resolution as set out at Item No. 6 for consideration and approval of Shareholders of the Company by way of Ordinary Resolution.

THE INFORMATION IN RESPECT OF ITEM NO.6 (PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ISSUED BY INSTITUTE OF COMPANY SECRETARIES OF INDIA PURSUANT TO SECTION 118 OF THE COMPANIES ACT, 2013)

Particulars	Item No.6
 **Shri Mudit Tandon** Independent Director	
Name & Age of the Director	Shri Mudit Tandon, 37 years
Date of Birth	30.11.1982

Particulars	Item No.6
Qualifications	Shri Mudit Tandon has completed the PGP in Management program at the Indian School of Business with a specialization in Finance and Strategy. He also holds a BS degree in Computer Science from Illinois Institute of Technology.
Brief resume, Experience and expertise in specific functional areas	Shri Mudit Tandon has 16 years of experience. He is Director at Tex Fasteners. He is currently responsible for Finance and Strategy of the group. In his past assignments, he has run the India operations as well as the Bangladesh operations of the group. Before joining Tex Fasteners, he was associated with a leading Indian private equity firm as Principal. He has also worked with Motorola in Arlington Heights, IL in the past.
Date of first appointment On the Board	June 29,2020
List of other Public companies in which Directorships held	Nil
Chairman/ Member of the Committee of the Board of Director of the Company	Orchid Pharma Limited Nomination and Remuneration Committee- Member & Chairman (w. e. f June 29,2020)
Chairman/ Member of the Committee of the other companies in which he is a Director	Nil
Number of Shares held in the Company (both own or held by/ for other persons on a beneficial basis) as on March 31, 2020	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Shri Mudit Tandon is not related to any of the Directors /Key Managerial Personnel of the Company.
Number of meetings attended during the year	NA*
Terms and conditions of appointment along with details of remuneration sought to be paid	In terms of Section 149 and other applicable provisions of the Act, Shri Mudit Tandon is eligible to be appointed as an Independent Director of the Company and has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act. As per the provisions of Section 149 of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. The matter regarding appointment of Shri Mudit Tandon as Independent Director was placed before the Board which recommends his appointment as Independent Director for a term of 5 years with effect from June 29,2020. Shri Mudit Tandon is entitled only to the sitting fee for attending the Board and committee meetings which is fixed at Rs.25,000 (Rupees Twenty five thousand Only) per Board Meeting and Rs.5,000 (Rupees Five Thousand Only) per Committee meeting
Justification for choosing the appointees for appointment as Independent Directors	In the opinion of the Board, Shri Mudit Tandon fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. The proposal for appointment of Director has been approved by the Board considering their skills, wide experience and knowledge.
* The Independent Directors were inducted on the Board of the Company with effect from June 29, 2020.	

Item No. 7 – Appointment of Shri Arun Kumar Dhanuka (DIN: 00627425) as Non-Executive Director

Shri Arun Kumar Dhanuka (DIN: 00627425) was appointed as an Additional Director (Promoter, Non-Executive, Non-Independent) by the Monitoring Committee/ Board at their meeting held on 31st March, 2020.

In terms of Section 161(1) of the Companies Act, 2013 read with Articles of Association of the Company, Shri Arun Kumar Dhanuka holds office as an Additional Director only up to the date of the ensuing Annual General Meeting. Shri Arun Kumar Dhanuka being eligible has offered himself for appointment as a Director.

Shri Arun Kumar Dhanuka is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The appointment of Shri Arun Kumar Dhanuka shall be effective upon approval by the members in the Meeting.

Based on the recommendation of the Nomination and Remuneration Committee and keeping in view his vast past expertise, the Board of Directors is of the opinion that it will be in the interest of the Company that Shri Arun Kumar Dhanuka is appointed as a Non-Executive Director of the Company, whose office is liable to retire by rotation.

Accordingly, the Board recommends the resolution in relation to appointment of Shri Arun Kumar Dhanuka as a Non-Executive Director, for approval by the shareholders of the Company. Copy of the draft letter for appointment of Shri Arun Kumar Dhanuka as a Non-Executive Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Except Shri Ram Gopal Agarwal, Non-Executive Chairman, Shri Manish Dhanuka, Managing Director, Shri Mridul Dhanuka, Whole Time Director of the Company and Shri Arun Kumar Dhanuka, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

The Board of Directors recommends the resolution in relation to the appointment of Shri Arun Kumar Dhanuka as Non - Executive Non-Independent Director of the Company as set out in Item No. 7 for approval of the Members by way of a Ordinary Resolution.

THE INFORMATION IN RESPECT OF ITEM NO.7 (PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ISSUED BY INSTITUTE OF COMPANY SECRETARIES OF INDIA PURSUANT TO SECTION 118 OF THE COMPANIES ACT, 2013)

Particulars	Item No.7
 **Shri Arun Kumar Dhanuka** Non-executive Director	
Name & Age of the Director	Shri Arun Kumar Dhanuka, 63 years
Date of Birth	14.05.1957
Qualification	Shri Arun Kumar Dhanuka holds a degree in Bachelor of Commerce (Honors) from the Delhi University

Particulars	Item No.7
Brief resume, Experience and expertise in specific functional areas	Shri Arun Kumar Dhanuka has a distinguished corporate career and has 42 years of experience. Shri Arun Kumar Dhanuka is a Director at M/s. Dhanuka Laboratories Limited where he is responsible for overseeing all financial and commercial matters. His experience in listening and dealing with public offices is essential for the growth of Dhanuka Group of companies. Shri Arun Kumar Dhanuka has been associated with M/s. Dhanuka Agritech Limited since its inception by handling operations role in M/s. Northern Minerals Pvt. Limited. With his innovative ideas, able leadership and utmost sincerity, he has raised the Company to new heights of success. He is known for his can-do attitude, and his people management skills are imperative for the smooth functioning of the companies. Shri Arun Kumar Dhanuka is a member of the Promoter group of the Company.
Date of first appointment On the Board	March 31,2020
List of other Public companies in which Directorships held	
Listed Public Company	
M/s. Dhanuka Agritech Limited	Director
Unlisted Public Company	
M/s. Dhanuka Laboratories Limited	Director
Chairman/ Member of the Committee of the Board of Director of the Company	Orchid Pharma Limited Nomination and Remuneration Committee- Member (w. e. f June 29,2020) Banking, Finance and Operations Committee – Member (w. e. f March 31,2020)
Chairman/ Member of the Committee of the other companies in which he is a Director	Dhanuka Laboratories Limited Audit Committee- Member
Number of Shares held in the Company (both own or held by/ for other persons on a beneficial basis) as on March 31, 2020	Refer Note 1 appended herewith
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Shri Arun Kumar Dhanuka and Shri Manish Dhanuka Managing Director are brothers. Shri. Ram Gopal Agarwal, Non-Executive Director is the cousin brother of Shri. Arun Kumar Dhanuka. Shri Mridul Dhanuka, Whole Time Director, is nephew of Shri. Arun Kumar Dhanuka. Except as stated above, Shri Arun Kumar Dhanuka is not related to other Directors and Key Managerial Personnel of the Company
Number of meetings attended during the year	One@
Terms and conditions of appointment along with details of remuneration sought to be paid	Shri Arun Kumar Dhanuka is entitled only to the sitting fee for attending the Board and committee meetings which is fixed at Rs.25,000 (Rupees Twenty five thousand Only) per Board Meeting and Rs.5,000 (Rupees Five Thousand Only) per Committee meeting
@ Pursuant to the implementation of the approved Resolution plan, the Board of Directors was reconstituted on March 31, 2020 and only ONE meeting of the Board was convened during the Financial Year 2019-2020. **Note 1 -** As per the Resolution plan approved for the Company, M/s. Dhanuka Laboratories Limited (Where Shri Arun Kumar Dhanuka is a Director) has been allotted 4,00,00,072 Equity shares of Rs.10/- each on March 31,2020.The Company has submitted applications for corporate actions for the above allotment to the Stock exchanges and the approval for the same is awaited.	

Item No. 8 – Appointment of Shri Ram Gopal Agarwal (DIN: 00627386) as Non-Executive Director

Shri Ram Gopal Agarwal (DIN: 00627386) was appointed as an Additional Director (Promoter, Non-Executive, Non-Independent) by the Monitoring Committee/ Board at their meeting held on 31st March, 2020. Considering his rich and varied experience the Board of Directors based on the recommendation of the Nomination and Remuneration Committee designated him as the Non-Executive Chairman of the Board with effect from June 29, 2020. In terms of Section 161(1) of the Companies Act, 2013 read with Articles of Association of the Company, Shri Ram Gopal Agarwal holds office as an Additional Director only up to the date of the ensuing Annual General Meeting. Shri Ram Gopal Agarwal being eligible has offered himself for appointment as a Director.

Shri Ram Gopal Agarwal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The appointment of Shri Ram Gopal Agarwal shall be effective upon approval by the members in the Meeting.

Based on the recommendation of the Nomination and Remuneration Committee and keeping in view his vast past expertise, the Board of Directors is of the opinion that it will be in the interest of the Company that Shri Ram Gopal Agarwal is appointed as a Non-Executive Director of the Company, whose office is liable to retire by rotation.

Accordingly, the Board recommends the resolution in relation to appointment of Shri Ram Gopal Agarwal as a Non-Executive Director, for approval by the shareholders of the Company. Copy of the draft letter for appointment of Shri Ram Gopal Agarwal as a Non-Executive Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Except Shri Arun Kumar Dhanuka, Non-Executive Director, Shri Manish Dhanuka, Managing Director, Shri Mridul Dhanuka, Whole Time Director of the Company and Shri Ram Gopal Agarwal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 8.

The Board of Directors recommends the resolution in relation to the appointment of Shri Ram Gopal Agarwal as Non - Executive Non-Independent Director of the Company as set out in Item No. 8 for approval of the Members by way of a Ordinary Resolution.

THE INFORMATION IN RESPECT OF ITEM NO.8 (PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ISSUED BY INSTITUTE OF COMPANY SECRETARIES OF INDIA PURSUANT TO SECTION 118 OF THE COMPANIES ACT, 2013)

Particulars	Item No.8
 **Shri Ram Gopal Agarwal** Non-executive Director & Chairman	
Name & Age of the Director	Shri Ram Gopal Agarwal, 71 years
Date of Birth	30.07.1949
Qualification	Shri Ram Gopal Agarwal holds a degree in Bachelor of Commerce (Honors).
Brief resume, Experience and expertise in specific functional areas	Shri Ram Gopal Agarwal has 52 years of rich and wide experience. Shri Ram Gopal Agarwal is Founder Chairman of Dhanuka Group. He is a decisive and action oriented visionary who took over a sick pesticide Company named Northern Mineral Pvt. Ltd. in 1980 and transformed into a Rs 1000 Crore organization called Dhanuka Agritech Ltd. His deep commitment and inspiring leadership in initial turbulent days is an example worth inculcating and his passion to contribute to Indian Agriculture is commendable.

	His ability to prioritize and deal effectively with a number of tasks simultaneously reinforced with the skills to make effective decisions, has metamorphosed the business venture into one of the fastest growing Agrochemical Company in India In order to achieve his aspiration of "Transforming India through Agriculture" he has dedicated himself to bring changes in Agrochemicals Industry and the farming community. His contribution for adopting newer farming techniques at the grass root level, judicious use of agro chemicals in farming and imparting knowledge through his nationwide network of distributors and Dhanuka Doctors in field has resulted in the overall prosperity of farmers. Shri Ram Gopal Agarwal has been the past Chairman of CCFI, (Crop Care Federation of India) the apex Chamber of all Indian Agrochemical majors. He is also Chairman of Advisory Committee of AGRO Chemicals Federation of India. Shri Ram Gopal Agarwal, Group Chairman, has been bestowed with many Awards for his tremendous contribution in Agro Industry like "Life Time Achievement Award" by Agri Business Summit & Agri Awards 2019, "Distinguished Contribution to Indian Agrochemicals Industry" during India Chem 2016 International Conference organised by FICCI etc.
Date of first appointment On the Board	March 31,2020
List of other Public companies in which Directorships held	
Listed Public Company	
M/s. Dhanuka Agritech Limited	Director
Chairman/ Member of the Committee of the Board of Director of the Company	Nil
Chairman/ Member of the Committee of the other companies in which he is a Director	Nil
Number of Shares held in the Company (both own or held by/ for other persons on a beneficial basis) as on March 31, 2020	Refer Note 2 appended herewith
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Shri. Ram Gopal Agarwal, Non-Executive Director is the cousin brother of Shri. Arun Kumar Dhanuka, Non-Executive Director and Shri Manish Dhanuka, Managing Director. Shri Mridul Dhanuka, Whole Time Director, is nephew of Shri. Ram Gopal Agarwal. Except as stated above, Shri Ram Gopal Agarwal is not related to other Directors and Key Managerial Personnel of the Company
Number of meetings attended during the year	Nil@
Terms and conditions of appointment along with details of remuneration sought to be paid	Shri Ram Gopal Agarwal is entitled only to the sitting fee for attending the Board and committee meetings which is fixed at Rs.25,000 (Rupees Twenty five thousand Only) per Board Meeting and Rs.5,000 (Rupees Five Thousand Only) per Committee meeting

@ Pursuant to the implementation of the approved Resolution plan, the Board of Directors was reconstituted on March 31, 2020 and only ONE meeting of the Board was convened during the Financial Year 2019-2020.

Note 2 : As per the Resolution plan approved for the Company, M/s. Dhanuka Laboratories Limited (Where Shri Ram Gopal Agarwal is a Member) has been allotted 4,00,00,072 Equity shares of Rs.10/- each on March 31,2020.The Company has submitted applications for corporate actions for the above allotment to the Stock exchanges and the approval for the same is awaited.

Item No. 9 – Appointment of Shri Manish Dhanuka (DIN: 00238798) as Managing Director

The Members of the Company at the 24th Annual General Meeting of the Company held on September 13,2017 had approved the reappointment of Shri K Raghavendra Rao (DIN: 00010096) as Managing Director (erstwhile) for a period of three years with effect from July 01,2017.

Pursuant to the implementation of the approved Resolution plan, the erstwhile Board of Directors are deemed to have resigned and the Board was reconstituted by the Monitoring Committee 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 had approved the appointment of Shri Manish Dhanuka as the Managing Director of the Company, subject to the approval of the members 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 set out in the resolution.

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 III (b)(iii), 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.

Shri Manish Dhanuka is also the Managing Director of M/s. Dhanuka Laboratories Limited (Holding Company). 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.

Shri Manish Dhanuka is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Based on the recommendation of the Nomination and Remuneration Committee and keeping in view his rich and wide experience, the Board of Directors is of the opinion that it will be in the interest of the Company that Shri Manish Dhanuka is appointed as Managing Director of the Company.

Except Shri Ram Gopal Agarwal, Non- Executive Director and Chairman, Shri Arun Kumar Dhanuka, Non-Executive Director, Shri Mridul Dhanuka, Whole Time Director of the Company and Shri Manish Dhanuka, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 9.

The Board of Directors recommends the resolution in relation to the appointment of Shri Manish Dhanuka as Managing Director of the Company as set out in Item No. 9 for approval of the Members by way of a Ordinary Resolution.

THE INFORMATION IN RESPECT OF ITEM NO.9 (PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ISSUED BY INSTITUTE OF COMPANY SECRETARIES OF INDIA PURSUANT TO SECTION 118 OF THE COMPANIES ACT, 2013)

Particulars	Item No.9
 **Shri Manish Dhanuka** Managing Director	
Name & Age of the Director	Shri Manish Dhanuka, 53years
Date of Birth	28.09.1967
Qualification	Shri Manish Dhanuka holds a B. Tech in Chemical Engineering from IIT, New Delhi, and M.S in Chemical Engineering from the University of Akron, USA

Particulars	Item No.9
Brief resume, Experience and expertise in specific functional areas	Shri Manish Dhanuka has 25 years of rich experience in research, evaluation, and teaching in the pharmaceutical industry with the expertise in innovative pharmaceutical technologies. He excels in creating economical Pharmaceutical technologies and accelerated evaluation process for improving healthcare. His wide-ranging experience of handling operations, commercial, marketing and finance in the manufacturing industry provides for his analytical and decision-making skills facilitating the restoration of the company to its glorious past and to achieve even greater heights. 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 sub-continent, have helped the Dhanuka Group of companies enhance its Bulk Drugs manufacturing arm exponentially. 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 fruitful path.
Date of first appointment on the Board	March 31,2020
List of other Public companies in which Directorships held	
Listed Public Company-Nil	
Unlisted Public Company	
M/s. Dhanuka Laboratories Limited	Managing 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)
Chairman/ Member of the Committee of the Other companies in which he is a Director	Nil
Number of Shares held in the Company (both own or held by/ for other persons on a beneficial basis) as on March 31, 2020	Refer Note 3 appended below
Relationship with other Directors, Manager and Key Managerial Personnel of the Company	Shri Manish Dhanuka, Managing Director and Shri Arun Kumar Dhanuka, Non-Executive Directors are brothers. Shri. Ram Gopal Agarwal, Chairman & Non Executive Director is the cousin brother of Shri. Manish Dhanuka. Shri Mridul Dhanuka, Whole Time Director, is nephew of Shri. Manish Dhanuka Except as stated above, Shri Manish Dhanuka is not related to other Directors and Key Managerial Personnel of the Company
Number of meetings attended during the year	One@
Terms and conditions of appointment along with details of remuneration sought to be paid	The matter regarding appointment of Shri Manish Dhanuka was placed before the Nomination & Remuneration Committee, which recommends his appointment as Managing Director for a period commencing from June 29, 2020 to February 27, 2025 whose office shall not 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.

@ Pursuant to the implementation of the approved Resolution plan, the Board of Directors was reconstituted on March 31, 2020 and only ONE meeting of the Board was convened during the Financial Year 2019-2020.

Note 3: As per the Resolution plan approved for the Company, M/s. Dhanuka Laboratories Limited (Where Shri Manish Dhanuka is the Managing Director and Member) has been allotted 4,00,00,072 Equity shares of Rs.10/- each on March 31,2020.The Company has submitted applications for corporate actions for the above allotment to the Stock exchanges and the approval for the same is awaited.

Item No. 10 – Appointment of Shri Mridul Dhanuka (DIN: 00199441) as Whole Time Director

Pursuant to the implementation of the approved Resolution plan, the erstwhile Board of Directors are deemed to have resigned and the Board was reconstituted by the Monitoring Committee on March 31, 2020 with four (4) Additional Directors. Shri Mridul Dhanuka (DIN: 00199441) 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 had approved the appointment of Shri Mridul Dhanuka as the Whole Time Director of the Company, subject to the approval of the members of the Company for the period commencing from June 29, 2020 to February 27, 2025 on such terms and conditions and remuneration as set out in the resolution and whose office shall be liable to determination by retirement of directors by rotation.

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 III (b)(iii), 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.

Shri Mridul Dhanuka is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Based on the recommendation of the Nomination and Remuneration Committee and keeping in view his rich and wide experience, the Board of Directors is of the opinion that it will be in the interest of the Company that Shri Mridul Dhanuka is appointed as Whole Time Director of the Company.

Except Shri Ram Gopal Agarwal, Non- Executive Director and Chairman, Shri Arun Kumar Dhanuka, Non-Executive Director, Shri Manish Dhanuka, Managing Director of the Company and Shri Mridul Dhanuka, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 10.

The Board of Directors recommends the resolution in relation to the appointment of Shri Mridul Dhanuka as Whole Time Director of the Company as set out in Item No. 10 for approval of the Members by way of a Ordinary Resolution.

THE INFORMATION IN RESPECT OF ITEM NO.10 (PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ISSUED BY INSTITUTE OF COMPANY SECRETARIES OF INDIA PURSUANT TO SECTION 118 OF THE COMPANIES ACT, 2013)

Particulars	Item No.10
 **Shri Mridul Dhanuka** Whole-time Director	
Name & Age of the Director	Shri Mridul Dhanuka, 40years
Date of Birth	20.10.1980
Qualification	Shri Mridul Dhanuka is a Chemical Engineer with a Master's Degree in Business Administration

Particulars	Item No.10
Experience in specific functional areas	Shri Mridul Dhanuka has wide experience of 16 years. He is associated with Dhanuka Group Ltd. since 2005. His technical expertise has supported to enlarge the product base of Dhanuka. He helped the Company in smoothening the production, procurement and logistic functions and established quality control. As Director Operations he is instrumental in driving various initiatives with the support of senior leadership teams to achieve the set milestones of the organization. Under his exuberant personality and ambitious leadership the Company was able to expand its production facilities, setting up a state of art world class manufacturing facility at Keshwana, Rajasthan. He was responsible in successfully realigning the entire supply chain vertical from procurement to sales. He has successfully improved the efficiency and productivity of all the manufacturing facilities of Dhanuka thereby making a positive contribution in the profitability of the Company.
Date of first appointment On the Board	March 31,2020
List of other Public companies in which Directorships held	
Listed Public Company	
M/s. Dhanuka Agritech Limited	Non-Executive Director
Unlisted Public Company	
M/s. Dhanuka Laboratories 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)
Chairman/ Member of the Committee of the other companies in which he is a Director	Nil
Number of Shares held in the Company (both own or held by/ for other persons on a beneficial basis) as on March 31, 2020	Refer Note 4 appended below
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 and Shri Arun Kumar Dhanuka. Except as stated above, Shri Mridul Dhanuka is not related to other Directors and Key Managerial Personnel of the Company
Number of meetings attended during the year	One@
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.

@ Pursuant to the implementation of the approved Resolution plan, the Board of Directors was reconstituted on March 31, 2020 and only ONE meeting of the Board was convened during the Financial Year 2019-2020.

Note 4: As per the Resolution plan approved for the Company, M/s. Dhanuka Laboratories Limited (Where Shri Mridul Dhanuka is a Director and Member) has been allotted 4,00,00,072 Equity shares of Rs.10/- each on March 31,2020.The Company has submitted applications for corporate actions for the above allotment to the Stock exchanges and the approval for the same is awaited.

Item No. 11 – Approval of 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 is 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 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 in General Meeting is required for all material related party transactions, even if they are entered into in the ordinary course of business and on arm's length basis. For this purpose, a transaction is considered material, if the transaction/transactions to be entered into individually or taken together with previous transactions during a Financial Year exceeds 10% of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company. Further, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 2% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

All the Related Party Transactions entered into by the Company are on arm's length basis and in the ordinary course of business and approval of the Audit Committee / Board is obtained, wherever required.

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. However, the estimated value of transaction (existing and proposed) is likely to exceed 10% in respect of arrangements with M/s. Otsuka Chemicals (India) private Limited of the annual consolidated turnover of the Company as per the last audited financial statements of the Company and may exceed the materiality threshold as prescribed under Regulation 23 of the Listing Regulations. Thus, these transactions would require the approval of the Members by way of Resolution at General Meeting. M/s. Otsuka Chemicals (India) private Limited is a 'Related Party' as per definition under Section 2(76) of the Companies Act, 2013.

Approval of the Members is sought to ratify/approve all existing contracts/arrangements/ agreements/transactions with the aforesaid related party and to enable the Board for entering into new/further contracts/ arrangements/ agreements/ transactions (including any modifications, alterations, amendments or renewal thereto) with the aforesaid parties during the Financial year 2020-21 subject to the limits mentioned in the table below:

Name of the related party	M/s. Otsuka Chemicals (India) private Limited
Name of the director or Key Managerial Personnel who is related, if any;	Shri Manish Dhanuka, Managing Director Shri Mridul Dhanuka, Whole Time Director
Nature of relationship	Shri Manish Dhanuka is a Director on M/s. Otsuka Chemicals (India) Pvt. Ltd. Shri Mridul Dhanuka is a Member of M/s. Otsuka Chemicals (India) Pvt. Ltd.
Aggregate maximum value of the contract/ arrangement per transaction in any financial year	Aggregate Upto Rs.72 Crores (Rupees Seventy Two Crore Only)
Nature, material terms, monetary value and particulars of the contract or arrangements	The proposed transactions relate to supply of raw material which shall be governed by the Company's Related Party Transaction Policy and shall be approved by the Audit Committee within the overall limits approved by the members. The purchase value per month is around Rs.6 Crores.
Any other information relevant or important for the members to take a decision on the proposed resolution.	All the transactions were on continuing basis and were undertaken on arm's length basis and in the ordinary course of business. The transactions were based on Purchase Orders issued from time to time.

As per Listing Regulations, all entities falling under the definition of Related Parties shall not vote to approve the relevant transaction irrespective of whether the entity is a party to the particular transaction or not and accordingly the Promoters shall not vote on the resolutions set out at Item No. 11

Except for Shri Manish Dhanuka, Managing Director (Director on Board of M/s. Otsuka Chemicals (India) private Limited) and Shri 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. The Board considers that the existing arrangements with M/s. Otsuka Chemicals (India) private Limited, are in the ordinary course of business and at arm's length basis and play a significant role in the Company's business operations and accordingly the Board recommends the Ordinary Resolution as set out in Item No.11 of this Notice for approval of the Members.

Item No. 12 – Sell, lease or otherwise dispose-of the whole or substantially the whole of any undertaking(s) of the company

Members of the Company are requested to note that Section 180 (1)(a) of the Companies Act, 2013 mandates that the Board of Directors of a company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially the whole of any undertaking(s) of the company, only with the approval of the members of the Company by way of a Special resolution.

Explanation (i) to Section 180(1) (a) of the Companies Act, 2013 states that the meaning of an 'undertaking' for the purposes of Section 180(1) (a) of the Companies Act, 2013 is an undertaking in which the investment of the company exceeds twenty percent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty percent of the total income of the company during the previous financial year.

Explanation (ii) to Section 180 (1)(a) of the Companies Act, 2013 states that the meaning of 'substantially the whole of the undertaking' for the purposes of Section 180(1) (a) is in any financial year, twenty percent or more of the value of the undertaking as per the audited balance sheet of the preceding financial year.

Accordingly, pursuant to Section 180(1) (a) of the Companies Act, 2013, Members of the Company are further requested to note that their consent to the Board is being sought by way of a Special Resolution to sell / transfer/ dispose-of immovable/ movable property/ies/the fixed assets/undertakings of the Company as may be determined by the Board to repay its dues/liabilities, retirement of debts and to meet growth objectives for such consideration and on such terms and conditions as the Board may deem fit in the best interest of the Company, provided the aggregate amount of such transactions shall not exceed Rs. 300 Crores (Rupees Three Hundred Crore only).

The above resolution is recommended for your approval for passing this resolution at this ensuing Annual General Meeting. The Board is of the opinion that the aforesaid Resolution is in the best interest of the Company and hence recommends the Special Resolution for your approval.

None of the Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in this resolution.

Item No.13- Fund raising through issue of equity shares on a preferential allotment / private placement basis

The special resolution contained in Item No.13 of the notice for issue and allotment of Equity shares of face value of Rs.10/- each on Preferential/Private Placement basis to eligible investors, for an aggregate amount not exceeding Rs. 300 Crores/- (Rupees Three Hundred Crores Only) (inclusive of such premium as may be fixed on such Equity Shares) in one or more series/tranches have been proposed pursuant to Section 42,62(1)(c) of the Companies Act,2013 read with Companies (Prospectus and Allotment of Securities) Rules,2014 and the Companies (Share capital and Debentures) Rules,2014, SEBI (ICDR) Regulations,2018 and other applicable provisions of the Companies Act,2013.

Pursuant to the implementation of the approved Resolution plan, the Monitoring Committee have approved the allotment of 4,00,00,072 equity shares of Rs.10/- each to M/s. Dhanuka Laboratories Limited constituting 98% of the paid up capital of the Company. Rule 19A (5) of the Securities Contracts (Regulation) Rules, 1957 states that Where the public shareholding in a listed company falls below twenty-five percent, as a result of implementation of the resolution plan approved under Section 31 of the Insolvency and Bankruptcy Coode, 2016 (31 of 2016), such company shall bring the public shareholding to twenty five percent 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: Provided that, if the public shareholding falls below ten percent, the same shall be increased to at least ten percent, within a maximum period of eighteen months from the date of such fall, in the manner specified by the Securities and Exchange Board of India.

Ensuring adherence to the above Regulation, the above proposal for issuance of equity shares has been considered and approved by the Board at its meeting held on November 11, 2020.

The offer for the proposed allotments as mentioned in item no.13 shall be made by way of Offer letter to be issued to the proposed allottees of Equity shares. The proposed issuance of Equity Shares in terms of the Special Resolution in the Notice will be in conformity with the provisions of all applicable laws.

The detailed terms and conditions for the issuance of the Equity Shares as and when made will be determined by the Board considering the prevailing market conditions and other relevant factors. The Special Resolution seeks to give the Board powers to issue Equity Shares in one or more tranches at such time or times, at such price or prices, and to such of the Investors as are mentioned therein as the Board in its absolute discretion deems fit. The Board recommends the Special Resolution as set out in Item No.13 of the accompanying Notice, for approval of the members.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said resolutions either financially or otherwise, except to the extent of their equity holding in the Company.

Notes

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A Dhanuka Group Company